

port of the Lundeen bill (H. R. 2827) as the evolution of our economic system has brought about the conditions in our national life where millions of men are out of work against their own will, and millions of men, women, and children are poverty-stricken and destitute, and since there is no chance that these deplorable conditions will change for better without proper regulation and sane adjustment by our national Government; to the Committee on Labor.

7282. By the SPEAKER: Petition of the city of Huntington Beach, Calif.; to the Committee on Ways and Means.

7283. Also, petition of the National Section Council of Jewish Women; to the Committee on Ways and Means.

7284. Also, petition of the International Workers Order, Branch No. 600; to the Committee on the Judiciary.

7285. Also, petition of the American Society of Biological Chemists; to the Committee on Interstate and Foreign Commerce.

7286. Also, petition of the township of Sletten, Minn.; to the Committee on Agriculture.

SENATE

MONDAY, APRIL 22, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 19, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., and of the three hundredth anniversary of the founding of the city of Providence, R. I., respectively; and

S. J. Res. 97. Joint resolution authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 8, 1935, to June 17, 1935, both inclusive.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Burke	Duffy	La Follette
Ashurst	Byrd	Fletcher	Lewis
Austin	Byrnes	Gerry	Logan
Bachman	Caraway	Gibson	Loneragan
Bailey	Carey	Glass	Long
Bankhead	Clark	Gore	McGill
Barbour	Connally	Guffey	McKellar
Barkley	Coolidge	Hale	McNary
Bilbo	Copeland	Harrison	Metcalf
Black	Costigan	Hastings	Minton
Bone	Couzens	Hatch	Moore
Borah	Cutting	Hayden	Murphy
Brown	Dickinson	Johnson	Murray
Bulkley	Dieterich	Keyes	Neely
Bulow	Donahay	King	Norris

Nye	Russell	Thomas, Okla.	Wagner
Overton	Schall	Townsend	Walsh
Pittman	Schwellenbach	Trammell	Wheeler
Pope	Sheppard	Truman	White
Radcliffe	Shipstead	Tydings	
Reynolds	Smith	Vandenberg	
Robinson	Stetwer	Van Nuys	

Mr. NYE. I desire to announce the unavoidable absence of my colleague the senior Senator from North Dakota [Mr. FRAZIER].

Mr. LEWIS. I rise to announce the absence of the Senator from Connecticut [Mr. MALONEY], occasioned by illness; and the absence of the Senator from Nevada [Mr. McCARRAN], the Senator from Georgia [Mr. GEORGE], the Senator from California [Mr. McAdoo], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Utah [Mr. THOMAS], who are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Kansas [Mr. CAPPER] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

INTERNATIONAL COPYRIGHT CONVENTION RECONSIDERATION

Mr. DUFFY. Mr. President, I ask unanimous consent to return temporarily to executive session and, as in executive session, I ask unanimous consent that the vote whereby the treaty known as Executive E (73d Cong., 2d sess.), the International Convention of the Copyright Union, was ratified on Friday last be reconsidered, and that the treaty be restored to the Executive Calendar.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin?

Mr. PITTMAN. Mr. President, I concur in the request.

The VICE PRESIDENT. Without objection, on request of the Senator from Wisconsin, the vote whereby the convention was ratified is reconsidered, and the convention is restored to the Executive Calendar.

CLAIM OF SUDDEN & CHRISTENSON, INC., ET AL

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the enclosed decision rendered on December 22, 1934, by the arbitrator, John Clark Knox, judge of the United States District Court for the Southern District of New York, to the end that legislation may be enacted authorizing an appropriation of the sum of \$78,025.83 for the payment to Sudden & Christenson, Inc.; John A. Hooper, Emil T. Kruse, Edward Kruse, Gilbert Loken, and G. W. McNear, Inc., or their successors in interest, as recommended by the arbitrator, upon receipt by the Secretary of State of satisfactory releases from the respective claimants.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 22, 1935.

(Enclosures: Report, decision, draft bill.)

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, a report of papers and documents on the files of the General Accounting Office which are not needed in the conduct of business and have no permanent value or historical interest, and asking for action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. GLASS and Mr. HALE members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Finance:

Whereas a serious situation exists in the textile industry of the State of New York and other States of the United States; and

Whereas a most remarkable and extraordinary increase in the importation of cotton textile fabrics from Japan has been had during the past 12 months; and

Whereas the importation of cotton textile fabrics from Japan has increased from 30,000 square yards in January 1934 to 10,200,000 square yards in January and February 1935; and

Whereas, if allowed to continue, this condition can only result in dire economic distress for the textile manufacturers and for that large portion of labor which is employed by this industry in this State; and

Whereas proper and immediate legislation is necessary for the correction thereof; and

Whereas the members of this legislature are deeply concerned with this problem which is bound to affect the economic condition of this State and also this Nation: Now, therefore, be it

Resolved (if the assembly concur), That the Congress of the United States be, and hereby is, memorialized to enact legislation which will restrict the importation into this country of any textile article from any other country in a greater volume than the average annual volume of importation of that article from any such country during the 5 years of 1930 and 1934, inclusive.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Finance:

Joint resolution memorializing the Congress of the United States to reduce the present tax on beer and other liquor

Whereas the bootlegger continues his operations to the detriment of the income of the Federal Government; and

Whereas it is proper that the legitimate dealer be protected and the public revenues increased: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin hereby respectfully petitions the Congress of the United States to reduce the present Federal tax on beer to \$2 per barrel and the present Federal tax on liquor to the former rate of \$1.10 per gallon; be it further

Resolved, That a properly certified copy of this resolution be sent to each of the following officials: To the President of the Senate of the United States, the Speaker of the House of Representatives, the Chief Clerks of both Houses of Congress, and to Hon. Henry Morgenthau, Secretary of the Treasury.

The VICE PRESIDENT also laid before the Senate petitions of several citizens of Mississippi, South Carolina, and Tennessee, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by Ban Yan Club, No. 30, of San Diego, and the Chambers of Commerce of Portrero and Alpine, all in the State of California, and also by a mass meeting of citizens of Yakima County, Wash., favoring the adoption of the so-called "Townsend old-age-pension plan", which were referred to the Committee on Finance.

He also laid before the Senate a letter in the nature of a petition from members of Branch No. 199 of the Literature Association of Lithuanians, of Johnston City, Ill., praying for the enactment of the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Antifacist Action of German Workers' Organizations, of Newark, N. J., protesting against the enactment of proposed alien and sedition legislation, which was referred to the Committee on Immigration.

He also laid before the Senate resolutions adopted by the Federal Bar Association, Washington, D. C., favoring acceptance of the bequest to the United States contained in the last will and testament of the late Associate Justice Oliver Wendell Holmes and that it be set aside as a trust fund for endowment in the Library of Congress of a chair to be known as the "Oliver Wendell Holmes Chair of Research Jurisprudence", which were referred to the Committee on the Judiciary.

He also laid before the Senate petitions of sundry citizens of the United States praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr.

LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a resolution adopted by the American Society for Pharmacology and Experimental Therapeutics, Inc., at Detroit, Mich., endorsing in principle Senate bill No. 5, known as the "pure food, drugs, and cosmetics bill", which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the City Council of Palmetto, Fla., favoring the enactment of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

Mr. WALSH presented petitions and papers in the nature of petitions from the Pratt Civic Association of Massachusetts; the City Council of Salem; the Springfield Taxpayers' Association, of Springfield; and the Federation of Polish Women's Clubs, all in the State of Massachusetts, praying for the taking of adequate measures to afford relief to the cotton cloth textile industry, which were referred to the Committee on Agriculture and Forestry.

He also presented resolutions endorsed by Local Union No. 860, United Brotherhood of Carpenters and Joiners of America, of Framingham, Mass., favoring the withdrawal of Bulletin No. 23709, issued by Deputy Administrator Fleming, of the Federal Emergency Administration, which was referred to the Committee on Education and Labor.

He also presented a letter in the nature of a petition from the Ladies' Auxiliary of Walker-Rogers Post, No. 662, of Lowell, Mass., praying for the enactment of the so-called "Patman bonus bill", which was referred to the Committee on Finance.

He also presented a memorial of sundry members of Mount Holyoke College and other citizens of South Hadley and vicinity, in the State of Massachusetts, remonstrating against the enactment of the so-called "Patman bonus bill", which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of West Somerville, Mass., praying for the enactment of legislation providing for immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by Branch No. 195 of the Workmen's Sick and Death Benefit Fund, of Taunton, Mass., favoring the enactment of the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Division No. 253, Amalgamated Association of Street and Electric Railway Employees of America, of Quincy, Mass., praying for the amendment of House bill 5423, known as the "Rayburn public-utility bill", so as to except from its provisions transportation companies owned by public-utility holding companies, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by Overseas Post, No. 240, Veterans of Foreign Wars of the United States, of Lynn, Mass., favoring the enactment of the bill (H. R. 2897) to make it a crime to advocate or promote the overthrow of the Government of the United States by force and violence, and for other purposes, which was referred to the Committee on the Judiciary.

He also presented a letter in the nature of a petition from Post No. 23, of the Polish Army Veterans Association of America, Adams, Mass., favoring the enactment of House bill 2739, to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes, which was referred to the Committee on Immigration.

He also presented a resolution adopted by Local Union No. 717, International Brotherhood of Electrical Workers, of Boston, Mass., favoring the enactment of the so-called "Wheeler-Rayburn bill" providing for the regulation of

public-utility holding companies, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by Belmont-Waverly Post No. 165, the American Legion, of Belmont, Mass., favoring the holding of the 1935 United States fleet maneuvers in the Pacific Ocean, which was referred to the Committee on Naval Affairs.

He also presented a petition of sundry citizens of the State of Massachusetts, praying for the enactment of legislation to take the profit out of war, which was referred to the Special Committee on Investigation of the Munitions Industry.

He also presented a petition of sundry citizens, being members of the Young Women's Christian Association, of Lowell, Mass., praying for the enactment of Senate bill No. 5, known as the "pure food, drugs, and cosmetics bill", which was ordered to lie on the table.

Mr. SHEPPARD presented the following resolution of the Senate of the State of Texas, which was referred to the Committee on Military Affairs:

Whereas on March 13, 1935, Senator Morris Sheppard introduced in the Senate of the United States of America, a bill known as S. B. No. 2294, authorizing the President of the United States, through such person or persons as he may designate, to select an appropriate site within the Canal Zone and to cause to be erected thereon, a suitable statue of heroic size of Maj. Gen. George W. Goethals, in commemoration of his signally distinguished services, in connection with the construction and operation of the Panama Canal: Now, therefore, be it

Resolved by the Senate of the State of Texas, That it hereby commends the high purpose of Senate bill No. 2294, and directs that copies of this resolution be sent to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives, and to Senator MORRIS SHEPPARD.

Mr. SHEPPARD also presented the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Mines and Mining:

Whereas the Democratic Party of Texas in convention assembled on September 11, 1934, adopted the following plank in the party platform:

"We oppose the abdication or surrender of the State's power to control the production of its natural resources. We likewise oppose any Federal encroachment upon the exclusive power of this State to control the production of oil and gas. We oppose any plan that results in the arbitrary compulsory utilization of oil fields"; and

Whereas there is pending at this time before the Committee on Mines and Mining of the United States Senate a bill known as the "Thomas bill", which has for its purpose the attempted regulation of the production of oil within the States; and

Whereas the purpose of said bill is directly contrary to the principles contained in the platform of the Texas Democracy and contrary to the principles of our dual form of government, in that it is an attempted invasion of the sovereign powers of this and other States of the Union: Now, therefore, be it

Resolved by the Senate of Texas (the house of representatives concurring), That the Members of the Senate and of the House of Representatives of the United States Congress be, and they are hereby, respectfully petitioned and requested to oppose the adoption of the so-called "Thomas bill" or other similar bills; and be it further

Resolved, That the secretary of the senate and the chief clerk of the house of representatives be, and they are hereby, instructed to mail a copy of this resolution to the members of the Texas delegation in the Congress of the United States, to the presiding officers of the Senate and the House of Representatives, and to the Chairman of the Committee on Mines and Mining of the United States Senate, and to the Chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives.

FUNDS FOR CONSTRUCTION AT NATIONAL GUARD CAMPS

Mr. LEWIS. Mr. President, the committee of the National Guard Association of America, at a hearing before the Committee on Military Affairs, made a presentation of their desires and now have written a communication to the chairman of that committee, the Senator from Texas [Mr. SHEPPARD], and committed it to myself as something of a serving deputy. I ask the privilege of having it printed in the RECORD, with the accompanying paper, for the information of the Senate and appropriately referred.

There being no objection, the letter, with the accompanying paper, was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES,
Washington, D. C., April 18, 1935.

The Honorable MORRIS SHEPPARD,

Chairman Senate Military Affairs Committee,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR SHEPPARD: It is our understanding that the War Department has asked the House Military Committee to pass a resolution requesting the President to earmark certain funds for construction at Army posts and camps and at air fields, as well as at National Guard camps. When this suggestion was first considered by a subcommittee of the House Military Affairs Committee some weeks ago the National Guard was asked to present the items touching the National Guard which it desired included in such a resolution then being considered. A representative committee of National Guard officers from throughout the United States appeared before this subcommittee and presented in detail its requests.

In support of that action and to submit more specific information concerning the requests for funds to be allocated to the States for the construction of armories, a hearing before the joint committee of the Senate and the House was accorded the representatives of the National Guard on yesterday, when detailed information and suggestions were offered.

For your consideration, this committee of the National Guard are submitting herewith a tentative draft of a resolution which we believe incorporates the ideas and items under consideration. We have included in this resolution the items submitted by the War Department of Army posts and camps, air bases and air fields, as well as items for construction at National Guard camps, which items remain of those considered at earlier hearings.

We therefore respectfully submit our request that you introduce a resolution covering these subjects, and will appreciate your securing prompt consideration of it.

We desire to express our very deep appreciation of the helpfulness and interest always exhibited by your committees.

Sincerely yours,

ROY D. KEEHN,
Major General, Illinois National Guard,
President National Guard Association.

Resolved, etc., That the President is requested to allocate from the \$4,880,000,000 appropriated under House Joint Resolution 117 the following amounts for the specific purposes mentioned below:

Construction at Regular Army posts and camps, to include air bases and air fields.....	\$126,000,000
Construction at National Guard camps located throughout the 48 States.....	12,000,000
To the several States for construction of, repairs, alterations, and additions to armories for the National Guard and Naval Militia located throughout the 48 States.....	80,000,000

REPORTS OF COMMITTEES

Mr. SHEPPARD (for Mr. THOMAS of Utah), from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 56) authorizing the publication as a public document of America Secure: Analytical Register of Regular Army Officers and Security Statistics, with graphs, 1775-1935, reported it with amendments and submitted a report (No. 540) thereon.

Mr. BLACK, from the Committee on Military Affairs, to which was referred the bill (S. 2407) for the relief of Gordon McGee, reported it with an amendment and submitted a report (No. 541) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 42) to cede to the Commonwealth of Virginia jurisdiction over that portion of the Fort Monroe Military Reservation leased to the Old Point Comfort Hotel Corporation, reported it with amendments and submitted a report (No. 542) thereon.

He also, from the same committee, to which was referred the bill (S. 2516) for the relief of Anthony J. Constantino, reported it without amendment and submitted a report (No. 544) thereon.

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (S. 1689) for the relief of Frank Fisher, reported it without amendment and submitted a report (No. 543) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LONERGAN:

A bill (S. 2632) to provide for the construction of 10 vessels for the Coast Guard designed for ice breaking and assistance work; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 2633) for the relief of Katie Walter; to the Committee on Claims.

A bill (S. 2634) authorizing the President of the United States to appoint Warrant Officer Albert Frensch (retired) as a captain in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. PITTMAN:

A bill (S. 2635) authorizing the appropriation of funds for the payment of the award in claim of Sudden & Christenson, Inc., et al.; to the Committee on Foreign Relations.

By Mr. GERRY:

A bill (S. 2636) granting a pension to George W. Olney; to the Committee on Pensions.

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 2637) to provide for the sale of the Port Newark Army supply base to the city of Newark, N. J.; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 2638) to amend the law governing the leasing of unallotted Indian lands for mining purposes; to the Committee on Indian Affairs.

By Mr. ASHURST:

A bill (S. 2639) for the relief of C. Y. Webb, of Clarkdale, Ariz.; to the Committee on Claims.

By Mr. LEWIS:

A bill (S. 2640) for the relief of Josephine Matson; to the Committee on Claims.

By Mr. SMITH:

A bill (S. 2641) to provide for the establishment of a national monument in Oconee County, S. C., to be known as the "Gen. Andrew Pickens National Monument"; to the Committee on Public Lands and Surveys.

By Mr. WAGNER:

A bill (S. 2642) to incorporate the American National Theater and Academy; and

A bill (S. 2643) to amend section 118 of the Judicial Code to provide for the appointment of law clerks to United States district court judges; to the Committee on the Judiciary.

By Mr. GUFFEY (for Mr. DAVIS):

A bill (S. 2644) for the relief of the estate of Harry F. Stern; to the Committee on Claims.

By Mr. OVERTON:

A bill (S. 2645) to authorize a preliminary examination and survey of the Lake Charles Ship Channel, La.; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 2646) to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 2647) authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors, materialmen, and laborers for material and labor furnished in the construction of a post-office building at Hempstead, N. Y.; to the Committee on Claims.

By Mr. COSTIGAN:

A bill (S. 2648) to amend the Agricultural Adjustment Act with respect to sugar beets and sugarcane; to the Committee on Finance.

By Mr. HAYDEN:

A bill (S. 2649) to provide for a recreation area within the Prescott National Forest, Ariz.; to the Committee on Public Lands and Surveys.

HOUSE BILL REFERRED

The bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, was read twice by its title and referred to the Committee on Finance.

AMENDMENTS TO FARMERS' HOME CORPORATION BILL

Mr. LOGAN submitted an amendment and Mr. BAILEY submitted three amendments intended to be proposed by them, respectively, to the bill (S. 2367) to create the Farm-

ers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, which were severally ordered to lie on the table and to be printed.

REGULATION OF BANKS AND BANKING

Mr. COSTIGAN. Mr. President, the distinguished Senator from Florida [Mr. FLETCHER], Chairman of the Committee on Banking and Currency, by his able and consistent discharge of the duties of that position, has won special respect everywhere. On April 21, 1935, he issued a statement on the proposed banking act of 1935. The source of the statement and the importance of the subject he discussed entitled it to a suitable place for future use and reference.

I ask as a part of my remarks, with subsequent reference to the Committee on Banking and Currency, to have the statement printed in the RECORD; also accompanying it an article of the same date appearing in the New York Times, and another one appearing in the Baltimore Sun.

There being no objection, the statement and articles were referred to the Committee on Banking and Currency and were ordered to be printed in the RECORD, as follows:

THE PROPOSED BANKING ACT OF 1935

STATEMENT OF HON. DUNCAN U. FLETCHER, CHAIRMAN OF THE SENATE COMMITTEE ON BANKING AND CURRENCY

Since the introduction of the proposed banking act of 1935 (S. 1715 and H. R. 5357), a flood of letters and telegrams have been sent to Senators and Congressmen in protest against one particular section of the bill, namely, title II. I myself have received several hundred letters which show evidences of having originated from one central office. On the face of the facts, I would say that they have been signed and mailed by persons who have neither read the provisions of the bill nor are conversant with the principles incorporated in it. For the enlightenment of probably thousands of ill-advised correspondents, I am herewith reproducing one of the "form letters":

APRIL 8, 1935.

Hon. _____,

Senate Committee on Banking and Currency,
Senate Office Building, Washington, D. C.

DEAR SENATOR: I hope that you will find it possible to use your influence against the banking bill (H. R. 5357, S. 1715). I believe that it endangers the development of sound banking in this country, not only because its banking principles are unsound but because it permits political control of the Federal Reserve Board and the Federal Reserve banks.

Respectfully yours,

(Signed) JOHN DOE.

On the other hand, a number of bankers, editors, pseudoeconomists, and so-called "financial experts" have banded the subject back and forth in the press and through the medium of "form letter" correspondence for something like 2 months. Such tactics have resulted in a wealth of misinformation. Much of this misinformation has been deliberate and willful.

At this stage of the matter, I wish to warn the general public, and particularly the correspondents to whom I have just referred, that they must be on their guard lest they be abused as were thousands of business men by the use of similar methods against the enactment of the Securities Act of 1933 and the Securities Exchange Act of 1934. To this date there are literally thousands of well-intentioned but misinformed business men who do not know the facts pertaining to the prospective issuance of their own securities under these acts. This misunderstanding is not due to defects in either of the acts or to the administration of them. It all goes back to the campaign of vicious propaganda and misinformation.

Similar results are now evidenced with respect to the proposed Banking Act of 1935. Do not be misled. This legislation will serve a public purpose and its enactment is essential to the establishment of the financial and economic security of this Nation's domestic enterprises.

As a result of having devoted much thought and study to the numerous articles which have appeared in the press and hundreds of letters which have come to my desk, I think it best that this attempt be made to explain more clearly to the public the issues which are in controversy and discuss the principles involved in order that a much clearer understanding may be had of the necessity for the passage of this piece of legislation.

In my opinion, the proposed Banking Act of 1935 is, in all probability, the most important piece of banking and monetary policy legislation with which this or any other Congress has dealt. This statement is based upon the importance of title II alone; and, curiously enough, title II of the bill is bearing the brunt of almost all the opposition made to the entire piece of legislation. Please be advised, however, that all of those who are offering concerted opposition to the bill on the basis of the incorporation of title II are almost spontaneous in their clamor for the enactment of titles I and III.

Hence, I shall deal only briefly with the first and third titles of the bill. The first title provides for the merging of temporary deposit insurance funds into permanent funds, that \$5,000 be designated as the maximum insurable deposit for assessments, withdrawal from the fund, buying assets of insured closed banks, and a number of other important matters. The third title provides for "accidental" holding-company affiliates, security affiliates in liquidation, security dealers accepting deposits, employees' deposits, liquidation of assets of banks in voluntary liquidation, termination of double liability, examinations, and a number of other important matters.

Title II, on the other hand, deals almost wholly with the creation of machinery for the effective regulation of a definite monetary policy in accordance with the campaign promises of President Roosevelt based on the Democratic platform of 1932 which advocated "a sound currency to be preserved at all hazards" and proposed to put an end to "the indefensible expansion and contraction of credit for private profit at the expense of the public."

Moreover, it is a definite attempt to accomplish the ends which the President had in mind when on July 3, 1933, he stated to the American delegation to the London Economic Conference and again reaffirmed on October 22 in his address to the American people in which he stated that "when we have restored the price level, we shall seek to establish and maintain a dollar which will not change its purchasing and debt-paying power during the succeeding generation. I said that in my message to the American delegation last July and I say it now once more."

This bill among other things provides that:

(1) "The offices of governor and chairman of the board of directors of each Federal Reserve bank shall be combined." In their places a Governor and Vice Governor "shall be appointed annually by the board of directors, subject to the approval of the Federal Reserve Board. The governor shall be the chief executive officer of the bank."

Whereas in the original Federal Reserve Act the executive head of the bank was to have been known as chairman of the board of directors and at the same time act in the capacity of Federal Reserve agent, the active head in control of purely banking operations was to function in the capacity of a bank manager. The Federal Reserve banks gave to the bank manager the high-sounding name of "governor."

Since that time it has developed that the governor of each Federal Reserve bank has not only superseded the chairman and agent as the executive officer of the bank but has also become the virtual dictator of the Federal Reserve bank to the extent of practically controlling the election of directors who are presumed to be independent in the exercise of their power in the election of said governor. The results are obvious.

The above provision of the bill merely merges the two offices and at the same time provides for the retention of all governors and chairmen—if they are qualified and if, subject to the approval of the Federal Reserve Board, the various boards of directors elect them governor and vice governor. At the same time the language of the bill makes it clear for once that banks cannot evade or override the law through the creation of a high-sounding office and wrest control from the Board by creating a dictatorship within the Federal Reserve System.

The bill further provides that:

(2) Prior to July 1, 1937, the Federal Reserve Board may waive the capital requirements for the admission of nonmember State banks as members of the Federal Reserve System.

It is intended, through such a provision, to recognize the fact that small banks—that small State banks—are not mere "pawn shops." It is in recognition of the fact that smallness and bigness in a bank's capitalization, deposits, investments, or loans is not an indelible evidence of either soundness or weakness. The success or failure of a bank depends primarily on its management and not on its size.

It is a recognition of the fact that there are thousands of small State banks in this country which are worthy of membership in the Federal Reserve System. On the other hand, it absolutely does not provide a license for, or inducement to, the inclusion of unsound banks, or of undercapitalized banks, within the Federal Reserve System. Assuming an unbiased and unprejudiced administration of the act in accordance with the intentions of Congress, there should result no unfair treatment of, or impositions on, either State banks or national banks under the provisions of this section.

The next provision to which I wish to call your attention is: (3) "In selecting the six appointive members of the Federal Reserve Board the President shall choose persons well qualified by education or experience or both to participate in the formulation of national economic and monetary policies."

Moreover, each director is to receive a salary equal to that of a member of the President's Cabinet, and shall be retired at the age of 70 upon a retirement wage to be paid out of funds derived from levies on Federal Reserve banks.

Such a provision is conceived in the public interest. It provides for no favoritism between bankers, lawyers, economists, manufacturers, or men from any other profession. The administrative duties of a Board member are such as to require a far broader experience and basis for the exercise of sound judgment than that derived from the narrow confines of any one profession. Please note that the section reads: "The President must choose persons well qualified by education and experience, or both, to participate in the formulation of national economic and monetary policies."

That is a mandate.

The next three points to which I wish to direct your attention are of the greatest vital importance. They have to do with the Federal Open Market Committee, flexibility of reserve requirements, and discounts.

They are, in order of sequence, numbered (4), (5), and (6).

(4) The creation of a Federal open-market committee consisting of 5 members, 3 of whom shall be members of the Federal Reserve Board, the other 2 to be governors of the Federal Reserve banks selected by all the governors of said banks. Their terms of office shall expire at the end of each calendar year. Said committee shall have supervisory control over the open-market operations of the Federal Reserve banks.

(5) The Federal Reserve Board is empowered to change the reserve requirements of member banks as to any or all Federal Reserve districts and/or any or all classes of cities and as to time and/or demand deposits.

(6) "Subject to such requirements as to maturities and other matters as the Federal Reserve Board may prescribe, any Federal Reserve bank may discount any commercial, agricultural, or industrial paper and may make advances to any such member bank on its promissory notes secured by any sound assets of such member bank."

Significance of provisions (4), (5), and (6)

The first question which arises in connection with these three provisions is as to whether they involve a radical change in the present powers and functions of the Federal Reserve Board and the Federal Reserve System as it is now constituted. The second question is as to whether there will be established a political dictatorship of banking.

The unequivocal answer to the first—aside from a technical splitting of hairs—is no. To the second an unequivocal answer of no must be given.

It is a fact that all of the powers which are by this bill centralized in the Federal Reserve Board have since the enactment of the original Federal Reserve Act existed within the Federal Reserve System. That is, all open-market powers dealt with in title II of this act exist in the present law, and were so read into the original act by the "governors" of the Federal Reserve banks, as I shall subsequently point out. But it also must be mentioned that when any or all the Reserve banks, the Reserve Board, or the Treasury, through its stabilization fund, engage in open-market operations, they depart from and transcend the field of banking and become engaged in operations foreign to banking per se.

That is, when banks or the Board engage in open-market operations, they are buying and selling money; they are expanding and contracting the total volume of money; they are laying the foundation for inflation, deflation, and economic chaos if intelligence and prudence are not exercised in accordance with the sound principles of monetary science.

Such principles are not one and the same with even those of sound banking, where private profit is predominant. On the other hand, the principles of monetary science to which I refer are the principles of national monetary policy operations which absolutely must be made to conform with a public interest which oftentimes is directly opposed to the private-interest motives of bankers if they are to be administered in the interest of the general public.

Development of coordinative system—Policy in open-market operations of Federal Reserve Banks

For your information, I want to give you a brief historical sketch of the development of open-market operations by Federal Reserve banks under the original Federal Reserve Act and the centralization of their power without any specific authorization of law.

My wish is first to narrate in terms of what might be called "bankers' technical language"; then I wish to translate it into good everyday English.

Prior to 1922, the Reserve banks, having the power to invest money, made considerable investments in the open market, buying bills and buying Government securities. The holdings of United States Government securities by Federal Reserve banks gradually increased in the early years of the System to about \$300,000,000 in 1920 and were slightly smaller in 1921. Their purchase and sale of bankers' acceptances were made largely in accordance with seasonal changes in the supply of acceptances and in the demand for funds.

In 1922 Federal Reserve banks, facing a decline in earning assets because of repayments of discounts by member banks, began to buy Government securities for the purpose of increasing their earnings. It was observed that the operations of Federal Reserve banks, acting independently, were affecting the market for Government securities, and that these operations conflicted with each other and with those of the banks as fiscal agents of the Treasury.

In May 1922, at a meeting of the governors of the Federal Reserve banks, a committee was appointed to coordinate the buying and selling of Government securities so as to have a more orderly program under central control.

In October 1922 this committee undertook to make recommendations to the Federal Reserve banks regarding the purchase and sale of Government securities. It was observed in this year that purchases of Government securities did not cause an increase in the earning assets of the Federal Reserve banks, nor did sales cause a decrease, but rather that they affected the volume of borrowings at member banks. As a consequence, the conference of governors of the Federal Reserve banks voted that "investment policy should give minor consideration to the question of earnings and constant consideration to the effects which open-market operations have

upon the condition and the course of the money market and the volume of credit."

On April 7, 1923, the Board advised the governors of the Federal Reserve banks formally of a resolution adopted by the Federal Reserve Board on March 22, 1923, with respect to open-market operations by Federal Reserve banks, pointing out the necessity for the coordination of open-market operations of the Federal Reserve banks with their discount operations and their general credit policy. It also announced the organization of the open-market investment committee for the Federal Reserve System. This committee consisted of five representatives of the Reserve banks and was to be under the general supervision of the Federal Reserve Board. From this time on open-market operations could not be engaged in by Federal Reserve banks, except with the approval of the Federal Reserve Board.

In March 1930 the open-market policy conference, consisting of representatives of all the Reserve banks, replaced the open-market investment committee. Under the Banking Act of 1933 the Federal open-market committee, consisting of 12 Reserve-bank governors, was established.

What I have said in the immediately preceding six paragraphs is, in technical bankers' language, a correct statement of what Federal Reserve bankers did and are now doing. But in the language of the layman, this simply means that the Federal Reserve System is already engaged in all of the operations and performing all of the functions which will be required under the proposed bill; however, there is added one factor of the greatest significance to the public. We shall, through this act, definitely fix the responsibility for and the power to engage in open-market operations in the Federal Reserve Board. In the future, when money becomes "easy" or money becomes "tight" or when we are led into a period of inflation or a period of contraction and economic demoralization, we shall be able to put our finger upon the Federal open-market committee and say, "You are responsible."

May I reemphasize the fact that when the Federal Reserve banks back in 1921 and 1922 began their open-market operations "for the purpose of increasing their earnings" and later when they appointed a committee "to coordinate the buying and selling of securities in the open market", they were literally buying and selling dollars for profit. They were buying and selling dollars in just the same manner and for precisely the same purpose that hundreds of carloads of wheat were bought and sold, a hundred times over, in the Chicago wheat pit or in the street, despite the fact that the wheat was in freight cars and stood on the railroad sidings for days, weeks, even months without once having been moved. That is, the open-market committee was dealing in previously created credit obligations for profit and eventually awakening to the fact that they were shooting the price structure to pieces, upsetting the financial plans of the Government, disrupting business, and confusing the bankers. Through this act we propose to introduce responsibility for such activities—in fact, to command that the necessary operations must be engaged in at the direction of the Federal open-market committee with a mandate laid down for the orderly conduct of such operations in the public interest.

To what extent is this the introduction of a new principle into the law? The answer is: "It is not new."

Section 8 of the Banking Act of 1933 provided for the insertion of a new section in the Federal Reserve Act, to wit:

"There is hereby created a Federal open-market committee * * *, immediately followed by subsections (b), (c), and (d), which made all open-market operations subject to "regulations adopted by the Federal Reserve Board." Based upon the latter fact, I insist that the proposed title II does not in any way increase the political control over the operations of the Federal Reserve Board, the Federal Reserve banks, or of member banks. On the contrary, the law remains as it has been for over 20 years. Under the above provisions of subsection (d) any Federal Reserve bank might be excused from participation provided it "filed with the chairman of the committee, within 30 days, a notice of its decision, * * * not to participate." In this respect our proposal is to strike out the exception and leave the power to initiate action with the Board.

Now, what of the flexibility of reserves provided for in the bill? May I remind you that the same Congress which enacted the Banking Act of 1933 wrote a similar clause into Public Law No. 10 (in that part known as the Thomas amendment), a provision for the "increase or decrease from time to time, in its discretion, the reserve balances required to be maintained against either demand or time deposits."

On this point, the proposed Banking Act of 1935 gives recognition to the fact that there is no safety to be found in arbitrary judgment or arbitrary figures with respect to the reserves of either Federal Reserve banks or of member banks. Several hundred years ago the goldsmiths retained 100 percent reserves. Later they arbitrarily reduced their reserves. England has no such arbitrary reserve requirements established by law. This country has progressively found it advisable to reduce the legal reserve requirements for even commercial banks from an arbitrary figure of 50 to 40 to 25, until now they stand at 13, 10, and 7 percent on demand deposits of commercial banks, depending upon the size of cities in which they are located.

No banking dictatorship created

The powers referred to in no. 6 as I am designating them cannot and should not be construed as the creation of a Federal Reserve

Board dictatorship over purely banking operations of the Federal Reserve banks and their member banks. In this respect the Board's directions to banks are either permissive or prohibitive as to all purely banking operations. Within these two extremes all actions with respect to purely banking matters are left to the discretion of Federal Reserve banks and their member banks. That is, bankers will decide as to whether they shall or shall not make loans or investments which lie purely within the field of banking operations, such as whether loans shall or shall not be made to an individual or corporation, or a mortgage purchased, or the calling of a loan. And it is likewise left to the Federal Reserve bank as to whether it shall or shall not rediscount any of the paper of a member bank, or make a loan to said member bank upon any of its sound assets.

The next provision to which I wish to refer is:

(7) "Federal reserve notes are to be issued by the Federal Reserve bank and retired under such rules and requirements as the Federal Reserve Board may prescribe."

From the orthodox banking point of view such a provision is sound. Banks are not opposing this feature of the bill.

The next and last provision to which I wish to make a specific reference is:

(8) National banks will be permitted to "make loans, secured by first liens upon approved real estate, including improved farm lands and improved business and residential properties."

This is a long-established principle. Do you want it stricken out, or do you have some arbitrary limit you think should be fixed? This is definitely up to the Congress. We must choose reasonable limits. What is your suggestion?

It is because of the above provisions incorporated in title II that the American Bankers Association, a number of the State bankers' associations, and numerous bankers and economists throughout the country are making a concerted effort to divide the bill and enact titles I and III, alleging that said title II effects radical changes in the banking laws of the Nation.

May I point out that, with one or two exceptions, all of the above requirements have to do with the control over the monetary policy of the country. Monetary-policy operations cannot and should not be merged with purely banking operations.

The administration of a monetary policy has to do with the contraction and expansion of the credit and currency of the country and directly affects the purchasing power of money. This function transcends those of banking, farming, manufacturing, or that of any other business activity. It literally controls the economic and social welfare of the whole Nation. Traditionally, to be sure, this function has been turned over to banks and bankers who have operated it without direct responsibility to anyone. We propose, as I have previously pointed out, to centralize the powers and responsibilities in the Federal Reserve Board.

There are literally thousands of bankers in this country whose heads are bowed in humiliation and shame. They are blamed for the vicious results, many of which they are not able to rationalize. They have had their lines of credit shut off or have experienced the withdrawal of huge sums of money upon demand. In turn they have been forced to try to call in loans which they oftentimes have made with the greatest of caution and deserved confidence, to be peremptorily thrown into the maelstrom of a financial panic, contraction, or depression.

Among them, however, there have been a few bankers "in the know" and also in a dominant position for laying down the rules for making money "tight" or "easy"—of literally determining the trend—yet the latter have not personally been singled out nor can they, under our present system, be called to account for the disastrous results of their acts. It is my earnest desire that the fifteen or twenty thousand bewildered bankers, who have never known and never will know what it is all about, demand that this great destabilizing and disturbing factor of monetary policy shall be separated from banking per se and placed in the hands of men who must and who shall be held responsible and accountable for their acts. Undoubtedly in this great Nation we can find at least five or eight men, depending upon the final provisions of the act, who know what it is all about and can be trusted to administer our monetary policy intelligently and with the greatest amount of integrity and respect for the people, and act for the public welfare.

Bankers as a whole are not qualified to determine nor competent to administer our monetary policy. They have not been able to discern the difference between purely banking functions and monetary policy operations. As a whole they have known only that money was "easy" or money was "tight" without knowing the "whys" and "wherefores" and have been wholly ineffectual if not irresponsible in the administration of our monetary policy.

We have been sifting and winnowing the basic facts for the past 6 long years. We know the facts. We have weighed the evidence. We have made up our minds as a result of the collapses of 1920 and 1929. None of the opposition will dispute the facts. They cannot deny them. If they have not made up their minds after 6 years, we have little promise that they will have anything to offer after another 2 years.

It is common knowledge, however, that there now lies within the hands of bankers the potential makings for one of the most stupendous inflations this or any other Nation has ever experienced. And experience teaches us that banker control of monetary policy will probably give us an equally devastating financial whirlwind when that bubble is pricked.

This bill is conceived as our most essential safeguard.

[From the New York Times, Apr. 21, 1935]

FLETCHER ATTACKS BANKERS, DECLARES OMNIBUS BILL NEED—"AS A WHOLE, THEY ARE NOT QUALIFIED TO DETERMINE OUR MONETARY POLICY", HE SAYS—HOUSE REPORT IS FILED—ASKS PASSAGE IN ECCLES' FORM—MINORITY CALLS RESERVE CHANGES DANGEROUS

WASHINGTON, April 20.—Opening a campaign to put the omnibus banking bill through the Senate, Chairman FLETCHER, of the Senate Banking and Currency Committee, struck out today against a "flood of letters and telegrams" attacking the measure, which, he said, has been sent to Congress Members.

In support of the bill's proposal to lodge control of open-market operations, discount rates, and member bank reserve requirements in the Federal Reserve Board, he declared in his statement that "bankers, as a whole, are not qualified to determine, nor competent to administer, our monetary policy."

"They have not been able to discern the difference between purely banking functions and monetary-policy operations", he said. "As a whole, they have known only that money was 'easy' or money was 'tight', without knowing the whys and wherefores, and have been wholly ineffectual, if not irresponsible, in the administration of our monetary policy."

BILL REPORTED IN HOUSE

As this defense was voiced from the Senate side, the House Banking and Currency Committee filed its report recommending passage of the bill in substantially the form it was drafted by Marriner S. Eccles, Governor, and other officials of the Federal Reserve Board. A minority report filed by the seven Republican members of the committee recommended that the bill be not passed if it contained the title II reorganizing the Federal Reserve System and broadening powers of the Federal Board.

The fight in both branches will center around this portion of the bill, as titles I and III have aroused little opposition. Senator GLASS, chairman of the subcommittee which is now holding hearings on the bill, has predicted that his group would take title II out of the bill and reserve it for further consideration.

Senator FLETCHER has predicted with equal emphasis that the full committee would put title II back in the bill, and that the Senate would pass it in the form he said President Roosevelt told him he wanted it.

FLETCHER SEES PUBLIC BENEFIT

"This legislation will serve a public purpose and its enactment is essential to the establishment of the financial and economic security of this Nation's domestic enterprises", Mr. FLETCHER's statement said.

"Title II deals almost wholly with the creation of machinery for the effective regulation of a definite monetary policy in accordance with the campaign promises of President Roosevelt based on the Democratic platform of 1932, which advocated 'a sound currency, to be preserved at all hazards', and proposed to put an end to 'the indefensible expansion and contraction of credit for private profit at the expense of the public.'"

Asserting that the control of monetary policy must be placed in the hands of men who can be held accountable and responsible for their acts, Senator FLETCHER declared that "when banks or the board engage in open-market operations they are buying and selling money; they are expanding and contracting the total volume of money; they are laying the foundation for inflation, deflation, and economic chaos if intelligence and prudence are not exercised in accordance with the sound principles of monetary science."

REPUBLICANS ISSUE WARNING

The Republicans said in the House minority report that "no emergency has been shown requiring the passage of the title II." "No immediate need for it has been evidenced," they continued. "The inherent dangers in it are obvious. Its presence in the bill jeopardizes the early passage by Congress of titles I and III."

The minority report was signed by Representatives HOLLISTER, of Ohio; WOLCOTT, of Michigan; CAVICCHIA, of New Jersey; FISH, of New York; GIFFORD, of Massachusetts; DIRKSEN, of Illinois; and FENERY, of Pennsylvania.

The two titles of which they approved, dealing with a permanent Federal deposit insurance system, to be eligible for which State nonmember banks do not have to join the Federal Reserve System, and clarification of technical details of the existing Federal Reserve Act, are generally conceded to be noncontroversial.

"One of the things most dreaded today by thinking people is the possibility of weakening, or perhaps the collapse of Government credit because of continued deficits," the minority said in commenting on the open-market powers the bill proposes to confer on the Federal Reserve Board.

"Government financing should be on the same basis as private financing—that is, a free and open market, where the savings of the people are voluntarily used in the purchase of Government obligations. Wherever the Government is in a position to compel the use of the savings of the people to acquire such obligations, such financing becomes a forced loan and is one of the most vicious inroads on liberty."

OPPOSE "FORCING" RANKS

"Weakening of the market for Government obligations is a danger signal in the spending program of any government, and this bill would make it easy to ignore such a danger signal. What most people do not realize is that whenever banks may be forced to acquire Government bonds against their will or at rates which they would not recognize if the transaction were voluntary, as far as the actual credit of the Government is concerned deficits might just as well be financed by fiat money."

Mr. HOLLISTER and his colleagues made much of this argument during the long hearings on the bill. Mr. Eccles at that time replied that the intent of the proposed open-market powers was not to force banks to buy Government obligations and pointed to the ease with which the Treasury has already carried through important refinancing operations.

The Republican report remarked that "open-market operations are always conducted for all the banks by the New York Federal Reserve Bank, for New York is the money and bond market of the country."

URGE FURTHER STUDY

"If this new provision becomes law, it means that the resources of the Federal Reserve banks from the 12 districts may be drained to New York for the purpose of acquiring bonds, no matter how unwise it might appear to bankers generally," the minority went on. "Thus the board of a particular Federal Reserve bank might consider that it was already overloaded with Government bonds and yet be forced to buy more."

They recommended further study of the contents of title II, calling it a "clear example of hasty and ill-advised legislation on a matter of vital importance to the country." They also condemned the proposed power to control Reserve requirements.

"The right to raise is the right to curtail or even stop entirely the normal banking function of lending," the report said. "The right to lower brings the possibility of endangering deposits by requiring insufficient reserves. Neither power should be lightly exercised."

House leaders predicted that the bill would pass practically as reported, with the chief fight on the floor centering on defeating radical amendments, including those for the "commodity dollar", fixed-price levels, and other such proposals of the sort.

[From the Baltimore Sun, April 21, 1935]

BANKING BILL CALLED VITAL BY FLETCHER

By C. P. Trussell

WASHINGTON, April 20.—Banking today took the center of the Washington legislative stage.

Routed in every attempt it made during the last 8 legislative days to strip the principal features from the social-security bill, which it finally helped to pass yesterday, the House Republicans turned their guns against the omnibus banking measure, just emerging from the committee.

A 3,500-WORD STATEMENT BY FLETCHER

Almost immediately there came from the other side of the Capitol a 3,500-word statement from Senator FLETCHER (Democrat of Florida), Chairman of the Senate Committee on Banking and Currency, in which he warned:

"There now lies within the hands of bankers the potential makings for one of the most stupendous inflations this or any other nation has ever experienced. And experience teaches us that banker control of monetary policy will probably give us an equally devastating financial whirlwind when that bubble is pricked."

CALLED ESSENTIAL SAFEGUARD

"The omnibus banking bill is conceived as our most essential safeguard."

His defense of the measure centered almost wholly upon the so-called "central bank section." That part of the bill is being attacked not only by the Republicans but also is the subject of a Nation-wide protest which the Florida Senator denounced as an organized movement.

"Bankers," Senator FLETCHER said, "are not qualified to determine nor competent to administer our monetary policy."

"They have not been able to discern the difference between purely banking functions and monetary-policy operations. As a whole they have known only that money was 'easy' or money was 'tight', without knowing the 'whys' and 'wherefores' and have been wholly ineffectual if not irresponsible in the administration of our monetary policy."

FACTS CANNOT BE DENIED

"We have been sifting and winnowing the basic facts for the past 6 long years. We know the facts. We have weighed the evidence. We have made up our minds as a result of the collapses of 1920 and 1929. None of the opposition will dispute the facts. They cannot deny them."

The pending bill, identified as the Banking Act of 1935, is the next piece of legislation on the administration's "must" program to be tackled by the House. Whether it is actually an administration instrument has been a subject of heated debate between Senator GLASS (Democrat of Virginia), of the Senate Banking Committee, and Representative STREAGALL (Democrat of Alabama), chairman of the same committee of the House.

ALSO HELD REPLY TO GLASS

Senator FLETCHER's statement was received in some quarters not only as a reply to Republican and banking opposition to the pending bill but to the Virginian, who has maintained the measure is only sponsored by Marriner S. Eccles, Governor of the Federal Reserve Board, rather than by the President.

"Title II," said Senator FLETCHER of the controversial section of the banking bill, "deals almost wholly with the creation of machinery for the effective regulation of a definite monetary policy in accordance with the campaign promises of President Roosevelt based on the Democratic platform of 1932, which advocated 'a sound currency to be preserved at all hazards' and promised to put an end to 'the indefensible expansion and contraction of credit for private profit at the expense of the public.'"

CITES ROOSEVELT'S PROMISE

Mr. FLETCHER also declared the measure was a "definite attempt" to accomplish the ends "which the President had in mind" when, on July 3, 1933, he stated to the American delegation to the London Economic Conference, and again reaffirmed on October 22 in his address to the American people in which he stated that:

"When we have restored the price level we shall seek to establish and maintain a dollar which will not change its purchasing and debt-paying power during the succeeding generation."

Senator FLETCHER's statement made categorical reply, although he did not refer to it, to an arraignment of title II in the first legislative report to be made in connection with the banking measure.

VIEW SIMILAR TO THAT OF GLASS

Without waiting for the release of the majority report of the House Banking Committee, which was sent to the printers this afternoon, the Republican members of that body made public their minority report. It asked for complete elimination of the central-bank section.

Taking a view similar to that of Senator GLASS, this report asserted:

"The present title II is not even the original title II as presented in the bill, but is almost without change an amended title II submitted by Governor Eccles after he had entirely completed his testimony before the committee.

"While the committee was assured that the first draft was the joint work of all the various financial departments of the Government, and had their joint approval, we have no assurance that title II in its amended form has received any approval except that of Governor Eccles, or has even been submitted to anyone else."

TWO SECTIONS HELD SATISFACTORY

Title I, providing for the merging of temporary F. D. I. C. funds into permanent ones and keeping the deposit insurance maximum at \$5,000, and title III, making various changes in the present banking statute, including termination of double liability, were found by the minority committee to be "in the main" satisfactory.

"But title II," their report added, "while containing some provisions of merit, is in its entirety such a radical departure from the sound principles of central banking that the evils it contains more than counteract the advantages of title I and title III."

BASIS OF MINORITY OBJECTIONS

The minority objections centered upon:

Changes in control of the Governor and Vice Governor of the Federal Reserve Board and the governors of the Reserve banks.

Increasing the power of the Federal Reserve Board.

"Too great liberalization" of the discounting and borrowing provisions of the Federal Reserve member banks.

CITES BANK OF ENGLAND AS EXAMPLE

The present separation of the Reserve banks from Federal control, the minority maintained, "is in accordance with the central banking practice in most of the more highly civilized countries under a democratic form of government", and cited the Bank of England as an example.

"Conversely," the report continued, "countries under close dictatorship, like Italy and Russia, have central banks entirely under government domination. One of the first and essential steps in any dictatorship is to extend power over the credit resources of the country."

To realize the full effect of the proposed changes in control of governors of the board and the Reserve banks, the committeemen asserted, "it must be remembered that the governor has always been the dominant figure on the Board, and the Board is thus made more subject to control by the Executive (the President).

FLETCHER EXPLAINS PROVISIONS

"The bill provides," said Senator FLETCHER, "that the offices of Governor and chairman of the board of directors of each Federal Reserve bank shall be combined. In their places a governor and vice governor shall be appointed annually by the board of directors, subject to the approval of the Federal Reserve Board. The governor shall be the chief executive officer of the bank.

CALLS GOVERNORS VIRTUAL DICTATORS

"Whereas in the original Federal Reserve Act the executive head of the bank was to have been known as 'chairman of the board of directors' and at the same time act in the capacity of Federal Reserve agent; the active heads in control of purely banking operations was to function in the capacity of a bank manager, the Federal Reserve banks gave to the bank manager the high-sounding name of 'governor.'

"Since that time it has developed that the governor of each Federal Reserve bank not only has superseded the chairman and agent as the executive officer of the bank but has also become the virtual dictator of the Federal Reserve bank to the extent of practically controlling the election of directors who are presumed to be independent in the exercise of their power in the election of said 'governor.'

"The results are obvious.

"The bill merely merges the two offices and at the same time provides for the retention of all governors and chairmen—if they are qualified—and the various boards of directors elect them governor and vice governor."

REPLIES TO G. O. P. CRITICISM

Replying to the Republican charge that under the bill the Federal Reserve Board would become the open-market committee with its decisions as to the buying and selling of Government

bonds "mandatory on all" of the Reserve banks, Senator FLETCHER said:

"We shall, through this act, definitely fix the responsibility for and the power to engage in open-market operations, in the Federal Reserve Board. In the future when money becomes 'easy' or money becomes 'tight' or when we are led into a period of inflation or a period of contraction and economic demoralization, we shall be able to put our finger upon the Federal open-market committee and say, 'you are responsible.'"

FORESEE DANGER TO DEPOSIT

The Federal Reserve Board, acting "perhaps by a bare majority of a bare quorum", the Republicans held, could raise or lower reserve requirements at will, and they added:

"The right to raise is the right to curtail or even stop entirely the normal banking functions of lending. The right to lower brings the possibility of endangering deposits by requiring insufficient reserves."

Replying to this, Senator FLETCHER said:

"The proposed banking act gives recognition to the fact that there is no safety to be found in arbitrary judgment or arbitrary figures with respect to the reserves of either Federal Reserve banks or of member banks. * * * England has no such arbitrary reserve requirements established by law. This country had progressively found it advisable to reduce the legal reserve requirements for even commercial banks from an arbitrary figure of 50 to 40 to 25, until they now stand at 13, 10, and 7 percent on demand deposits of commercial banks, depending upon the size of the cities in which they are located."

FLORIDA'S INTEREST IN FOREIGN TRADE

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Florida Times-Union of April 20, 1935, entitled "Florida's Interest in Foreign Trade."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Florida Times-Union of Apr. 20, 1935]

FLORIDA'S INTEREST IN FOREIGN TRADE

Addressing a Jacksonville audience last week, the occasion being a luncheon given by the chamber of commerce, Dr. C. T. Murchison, of Washington, director of the Bureau of Foreign and Domestic Commerce, told his hearers that this State was considerably interested in more than one way in the movement of goods into and out of the United States. Florida's share of foreign trade, largely consisting of exports of citrus fruits, naval stores, phosphate rock, lumber, and other commodities, was considerable and increasing. But it was also suggested that the tourist business—which annually brings many people into the State for a week, a month, or all winter—was worth a great deal, and the visitors to an extent were able to come and enjoy our climate because of the foreign trade enjoyed by their States. In other words, the tourist business, one of the greatest industries of Florida, is affected by the world trade.

"Viewing the economic life of Florida in its entirety one is impressed greatly by its dependence upon foreign trade activities", Dr. Murchison said. "This, bearing in mind, of course, the indirect as well as the direct relationships. Your own exports of citrus fruits, vegetables, phosphate, and naval stores have much to do with your prosperity, but equally important to your prosperity are the exports of other States." Declaring that the consumer demand in New York City for oranges and grapefruit is in no small manner affected by the export-import activities of that city, the people, he said, who come to Florida from Michigan area are to a very considerable extent dependent for their funds upon the export of automobiles to other countries. The number and buying powers of visitors from the Middle West depend to an extent on export of grain, etc.

That Florida should be active in the promotion of the country's foreign trade was argued by Dr. Murchison, who declared that this State would find it highly advisable to use every effort to uphold the hands of the administration in the courageous effort which it is now making to restore world trade. "Under present conditions the world over the old-fashioned procedure of promoting exports by greater sales effort has become inadequate", he said. "The general lowering of tariffs was not to be depended upon; but at this time and with world conditions as they are, the movement to do away with arbitrary and artificial restrictions should be encouraged and aided.

Alluding to the exclusive bilateral commercial treaties, exchange controls, quota systems, and burdensome administrative restrictions are being attacked and the effort made to reestablish foreign trade in the world on a reasonable, proper basis. "Against the formidable barriers indicated the United States moves to secure a bargaining arrangement, made separately with each country," Dr. Murchison said. "We have already completed four such agreements with Cuba, Brazil, Belgium, and Haiti. That with Belgium will go into effect May 1 and it is expected that the others will become effective shortly. Negotiations with 13 other countries are under way, including such important nations as Canada, Spain, Italy, Switzerland, and Sweden." It is hoped to have these treaties completed within the year.

"It is to be emphasized that insofar as we succeed in lowering tariff walls we reduce the price of foreign-made commodities and so encourage larger consumption," Dr. Murchison remarked. "Other countries in their turn will be able to purchase American

goods much more cheaply and in consequence consume a larger volume. The increased consumption will obviously increase the volume of production and so serve directly to alleviate the unemployment problem from which the world as a whole is suffering." Florida, is, indeed, as the Director of the Foreign and Domestic Commerce Bureau suggested, greatly interested in the effort being made to win back again the foreign trade that has been lost the past several years. Florida wants markets abroad for her products, and desires that the products of other States be accessible to the people of foreign lands.

TENNESSEE VALLEY AUTHORITY—KNOXVILLE CELEBRATION

Mr. McKELLAR. Mr. President, I ask unanimous consent to insert in the RECORD an article from the Knoxville Journal, of Knoxville, Tenn., entitled "A Royal Salute to the T. V. A." This article quotes a resolution by the City Council of Knoxville, establishing and proclaiming the week of May 12-18, inclusive, as T. V. A. appreciation week. The article shows with what favor the city of Knoxville has received the T. V. A. development in east Tennessee. I ask unanimous consent that the article be published in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Knoxville Journal of Apr. 20, 1935]

CELEBRATION TO CONTINUE FOR A WEEK—ROOSEVELT, CONGRESSMEN, AND OTHER NOTABLES WILL BE INVITED TO ATTEND—ENTIRE VALLEY TO JOIN IN MAMMOTH RECEPTION—BARBECUE TO BE CLIMAX OF EFFORT TO SHOW AUTHORITY OUR APPRECIATION

Knoxville, city of prosperity and hospitality, will extend a royal salute to the Tennessee Valley Authority, favorite project of the Roosevelt new deal, in a rousing reception scheduled to begin Sunday, May 12, and to continue through the following Saturday.

Invitations will be extended to President Roosevelt, Senator Norris, Speaker of the House Byrns, Governor McAlister, and other national and State dignitaries to participate in Knoxville's most ambitious enterprise.

East Tennessee, from Georgia to the Kentucky line, will also be invited to come to Knoxville during the spectacular event and join in paying respect and homage to the Authority's far-flung achievements.

LEADERS APPROVE

Plans for the festivities were unanimously approved by prominent business men at a meeting yesterday morning at the chamber of commerce, under the chairmanship of Gen. Cary F. Spence.

Vice Mayor Spence served in place of Mayor John T. O'Connor, called to Nashville in the press of State legislative details.

"We want to express our appreciation of what the T. V. A. has done for Knoxville, and to invite the Authority to retain here as much of its organization as it possibly can", Oscar Handley, of Miller's store, said, addressing the meeting.

"We want the public to know that Knoxville is behind the T. V. A. and all its purposes.

"We want this demonstration to be so gigantic that the will of the people will have ample space to express itself."

He added that he was certain that every branch of the city's business, social, and industrial life will offer complete cooperation.

Following adoption of the motion put forward by M. G. Chambers that Mayor O'Connor appoint a committee to perfect plans for the gigantic salute and to supervise the varied activities that will be part of this program of national interest, R. H. Clagett, general manager of the Knoxville Journal, said:

"I do not think anyone possibly could be opposed to this movement to honor the T. V. A.

"It is a surprise to me that we of Knoxville have not done so sooner."

ANNUAL AFFAIR

He then made the suggestion that a celebration in honor of the T. V. A. should be made an annual affair and that the festivities to begin the week of May 12 should be a monument to the city's whole-hearted approval of the Authority's ideals and achievements.

Tentative plans discussed at the meeting yesterday call for a mammoth torchlight parade, resplendent with bands and decorated motor cars, and carried out with the thundering tread of the city's working personnel.

A barbecue of tremendous proportions is slated to be the climax of the rousing week.

The barbecue will be at Shields-Watkins field at the University of Tennessee, and will be featured by addresses by the T. V. A. directors, Dr. A. E. Morgan, Dr. H. A. Morgan, and David Lillenthal, under plans discussed yesterday.

Possibility of showing T. V. A. films and news reels touching on Authority developments was also discussed.

It was estimated that at least 10,000 would participate in the barbecue.

After the meeting, James S. Hall, of the Hall's Sons store, echoed what had already been said to the effect that Knoxville would cooperate in every possible way to make the T. V. A. week monumental in the city's history.

"We are all appreciative of the Authority's work and the scope of its future program", Mr. Hall said, and added:

"This celebration and salute to the T. V. A. is an excellent gesture. I am for it unreservedly, and I feel positive that the same may be said of every other person here.

"If President Roosevelt comes to Knoxville", he added, "the event will lack nothing—it will be a vital link in the history of both east Tennessee and the T. V. A."

In naming the week beginning May 12 as "T. V. A. Appreciation Week", Mayor O'Connor has issued the following proclamation:

"Whereas an act of Congress of the United States creating the Tennessee Valley Authority was approved by the President on May 18, 1933; and

"Whereas the whole Tennessee Valley, and Knoxville in particular, since that date, have enjoyed increasing benefits from the Tennessee Valley Authority's development program, and foresee even greater benefits to come in the future; and

"Whereas we in Knoxville, being close to Tennessee Valley Authority operations and in a position to visualize what T. V. A.'s efforts will mean in raising living standards and in bringing other lasting benefits here and throughout the Nation;

"I therefore, as mayor of the city of Knoxville, hereby proclaim the week of May 12 to 18, inclusive, as 'T. V. A. Appreciation Week', and I ask every citizen of Knoxville to take part in this public salute to the three T. V. A. directors and their staffs, that they may be reassured of our confidence and appreciation."

KNOXVILLE NOT ALONE

Knoxville, however, will not be alone in the parade offering a cheering salute to the Authority.

East Tennessee will have part, and social, religious, and patriotic groups here will also join the ranks of the marchers, under the proposed program.

C. M. Preston, of the Hamilton National Bank, brought up the question of generously welcoming and inviting the T. V. A. to retain its officers here following completion of Norris Dam and other nearby allied projects, and General Spence asserted that the point was well taken and said city officials would confer on this phase of the Authority's future program and plans.

The proposal to invite President Roosevelt to Knoxville as the highlight of T. V. A. appreciation week was made by Safety Director Walter Anderson.

City Judge Bob Williams said last night that the very spirit of the occasion calls for the presence of Senators BACHMAN and McKELLAR and Representative J. WILL TAYLOR.

He further suggested that an invitation be extended to Vice President Garner, whose grandfather and father were born in nearby Anderson County.

"The T. V. A. appreciation week should stir the heart of every Knoxvillean and east Tennessean", Judge Williams declared.

"We are mindful here of the tremendous good the T. V. A. has brought in the Tennessee Valley and of the greater good that we all expect in the future", he continued.

"It is only natural and right that Knoxville as a city of enthusiastic supporters of the T. V. A., as well as the entire Tennessee Valley, where T. V. A. benefits will continue to manifest themselves as the years increase, should join in this generous and hearty tribute."

Judge Williams praised recent editorials in the Journal in which commendation was given to the suggestion of Tracy B. Augur, chief of the T. V. A. land planning and housing division, that the expansion of Knoxville be predicated on an orderly plan of suburban communities rather than on concentration of a greater population within defined city limits, and which pointed out that the Authority was not purely sectional in scope, but of an importance to the entire Nation as well.

PREVENTION OF LYNCHING

Mr. WAGNER. Mr. President, I ask permission to have printed in the RECORD a number of communications from leading organizations in several different States urging the passage of antilynching legislation.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

ILLINOIS

THE COOK COUNTY FEDERATION OF WOMEN'S CLUBS,
February 25, 1935.

Senator ROBERT F. WAGNER,
Washington, D. C.

DEAR SIR: The Cook County Federation of Women's Clubs, an organization representing 75 clubs, has gone on record as endorsing the antilynching bill, and urge you to support the passing of this bill by the Congress of the United States at its next session.

Sincerely,

MARY E. GRICE, Secretary.

KENTUCKY

LEXINGTON, Ky., February 7, 1935.

Hon. ROBERT F. WAGNER,
Senator from New York, Washington, D. C.

MY DEAR MR. WAGNER: We, the Interdenominational Alliance of Lexington and Vicinity, wish to herewith express our deep appre-

clation for the wisdom and courage with which you are sponsoring the Costigan-Wagner antilynching bill now before Congress, and we pledge to you our loyal support.

Respectfully yours,

INTERDENOMINATIONAL ALLIANCE OF
LEXINGTON AND VICINITY.
W. JUDSON KING,
C. H. DICKERSON,
L. RUCKER, *Committee.*

LOUISIANA

NEW ORLEANS, April 17, 1935.

Senator ROBERT F. WAGNER,
Washington, D. C.:

Protest emphatically implication in speech of Senator SMITH of South Carolina in Congress April 16, attacking Costigan-Wagner antilynching bill. Lynching is certainly not necessary for the protection of virtuous womanhood and, we believe, a crime for any cause whatever.

FLORENCE SYTZ,
Chairman Y. W. C. A. Public Affairs Committee.

NEW ORLEANS, April 17, 1935.

Senator ROBERT F. WAGNER,
Washington, D. C.:

Am opposed to speech of Senator SMITH, of South Carolina, made in Congress April 16, attacking Costigan-Wagner antilynching bill. Implication that lynching is necessary to protect virtuous womanhood is untrue, and I protest it for the women of the New Orleans Young Women's Christian Association.

Mrs. HARRY A. THOMPSON,
President.

MICHIGAN

YOUNG WOMEN'S CHRISTIAN ASSOCIATION,
Bay City, Mich., March 23, 1935.

The Honorable ROBERT L. WAGNER,
Washington, D. C.

DEAR SENATOR WAGNER: The membership of the Young Women's Christian Association of Bay City, Mich., is deeply concerned over the lynching situation in our country and wishes to commend you for your interest and effort in promoting the Costigan-Wagner antilynching bill.

We feel that all crime should come under strict legislation and that it is quite against the principles of Christian countries to allow such flagrant disregard of law.

Again thanking you, we are,
Very truly,

YOUNG WOMEN'S CHRISTIAN ASSOCIATION,
PER AGNES M. LEE, *Corresponding Secretary.*

DETROIT, MICH., March 1, 1935.

ROBERT F. WAGNER, Senator,
United States Senate, Washington, D. C.

HONORABLE SIR: We, the Detroit Inter-Church Fellowship, realize full well your past efforts to have Federal legislation enacted which will remove the bloody stains of "mobocracy" from our fair Nation.

We use this means to express our appreciation for the Wagner-Costigan bill which, we trust, will destroy forever that diabolical practice of barbarism among civilized people.

Yours for social justice and brotherhood,

THE DETROIT INTER-CHURCH FELLOWSHIP,
By T. W. ROSS.
A. DAVIES.
H. L. DUDLEY.
G. W. WILSON.
P. H. CRAIG, Jr.

MINNESOTA

TWIN CITY URBAN LEAGUE,
April 10, 1935.

Senator ROBERT F. WAGNER,
Washington, D. C.

DEAR SIR: At the last regular meeting of the executive committee and board of directors of the Twin City Urban League the antilynching bill of which you are coauthor was unanimously endorsed, and we were instructed to write all Congressmen from the State of Minnesota, urging them to support the measure.

This we have done and sincerely trust that this bill will be enacted into law.

Very truly yours,

CLARENCE R. CHANEY,
President.
CHAS. W. WASHINGTON,
Executive Secretary.

NEW HAMPSHIRE

PORTSMOUTH, N. H.

Resolution favoring the passage of a Federal antilynch law

Whereas the lynching of our citizens is a practice to be despised and deplored; and

Whereas the practice of lynching cannot be suppressed unless the Federal Government undertakes to enact laws punishing those participating in such crimes; and

Whereas there is pending in Congress an antilynch bill introduced by Senators COSTIGAN and WAGNER and Congressman FORD of California which will accomplish the results desired: Therefore be it

Resolved, That the Alfred Gooding Guild, Young Peoples Religious Union of the South Church (Unitarian), respectfully urges the Congress of the United States to enact the pending bill referred to at the earliest possible date; be it further

Resolved, That copies of this resolution be transmitted to the President of the Senate, Speaker of the House of Representatives of the United States, each Senator and Representative in Congress from this State, and Senators EDWARD P. COSTIGAN and ROBERT F. WAGNER and Congressman THOMAS F. FORD.

JOHN W. ANDERSON, *President.*
ERNESTINE L. CLEARY, *Secretary.*

NEW JERSEY

THE PARENT-TEACHERS ASSOCIATION OF THE
JERSEY CITY STATE NORMAL SCHOOL,
March 5, 1935.

Senator WAGNER,
Senate House, Washington, D. C.

DEAR SENATOR WAGNER: As legislative chairman of the Jersey City State Normal Parent-Teachers Association, I have been authorized to write you expressing our approval of the antilynching bill.

We do hope that this bill will pass by a large majority.

Respectfully yours,

Mrs. R. KRUGEL

NEW YORK

NEW YORK, April 17, 1935.

Senator ROBERT F. WAGNER,
Washington, D. C.:

Imperial Lodge No. 127, of Elks of New York City, with a membership of 1,800 Negroes commend highly your support of antilynching bill, and urges you to continue the fight until Federal law makes lynching a crime at this session of Congress.

IMPERIAL LODGE No. 127, I. B. P. O. E., of New York City,
JOHN A. DRIVER, *Secretary.*

Resolution unanimously adopted at a public meeting at the Town Hall Club, sponsored by the Women's International League for Peace and Freedom, February 25, 1935

Whereas there have been over 5,000 lynchings in the United States since 1882, and 45 during the present administration; and

Whereas mob violence is a denial of the principles of American democracy, a serious menace to internal peace and a blot on American institutions: Therefore be it

Resolved, That we urge the passage of the Wagner-Costigan bill, which would make lynching a Federal offense; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States and to the United States Senators and Members of the House of Representatives from New York.

RELIGIOUS SOCIETY OF FRIENDS,
New York City, April 11, 1935.

HON. ROBERT WAGNER,
Senate Office Building, Washington, D. C.

DEAR SIR: The New York yearly meeting of the Religious Society of Friends, in session at 221 East Fifteenth Street, New York, N. Y., from fourth month eighth to eleventh, inclusive, 1935, view with great interest your bill against lynching, and we trust that this Congress will not adjourn without enactment of a law which will unite the country in an earnest endeavor to put an end to that inhumanity, which we regard as more disastrous to the perpetrators than to the victims.

Sincerely,

EDWARD CORNELL, *Clerk.*

WESTERN UNION STAMP CLUB,
New York City, April 15, 1935.

HON. ROBERT F. WAGNER,
United States Senator, Washington, D. C.

DEAR SIR: At its last meeting the Western Union Stamp Club, an organization of 50 members, all employees of the Western Union Telegraph Co., adopted the following resolution:

"Whereas we stamp collectors and philatelists have long felt the need for a clearer means of identifying the postage stamps of the United States; and

"Whereas identification of the same is made almost impossible by the antiquated laws now existing which permit but a small portion of each stamp to be illustrated; and

"Whereas our Canadian and English cousins enjoy full cuts of their own as well as those of the United States postage stamps, much to our disadvantage; and

"Whereas the stamp collectors and philatelists of the United States of America very materially contribute to the Treasury of our Government; and

"Whereas the United States has absolutely nothing to lose and much to gain by permitting full cuts of our stamps: Therefore be it

"Resolved, That the Western Union Stamp Club urge the Senator and Representative of this district to support the bill listed as

H. R. 1411, introduced into the House of Representatives, Washington, D. C., by Representative MONTAGUE, of Virginia."

Yours respectfully,

V. Y. HECHER, *President*.
P. C. MACKKEY, *Secretary*.

CENTRAL CIVIC ASSOCIATION,
Hollis, N. Y., April 15, 1935.

DEAR SIR: At a regular meeting of the Central Civic Association, held under date of March 23, 1935, the following resolution was unanimously adopted:

"Whereas there is now pending in the Congress of the United States a bill, H. R. 6514, to amend section 1001 (a) of the Revenue Act of 1932; and

"Whereas this bill, as introduced by Hon. ROBERT L. BACON, provides for a 2-cent rate on first-class mail for delivery within the confines of any incorporated city and to such immediately contiguous incorporated cities as may be determined by the Postmaster General; and

"Whereas we believe that immediate action of said bill would materially increase the receipts of the Post Office Department: Therefore be it

"Resolved, That we, the officers and members of the Central Civic Association, in regular meeting assembled, do hereby most respectfully urge upon the Congress of the United States the early enactment of this legislation; and be it further

"Resolved, That copies of aforesaid resolutions be transmitted to Hon. ROYAL S. COPELAND, Hon. ROBERT F. WAGNER, Hon. ROBERT L. BACON, Hon. WILLIAM F. BRUNNER, Hon. STEPHEN A. RUDD, Hon. MATTHEW J. MERRITT, and the press."

HENRY W. EDELMANN, *Chairman*,
DAVID L. ALEXANDER,
J. WATSON DAVIS,
Committee on Resolutions.
LILLIAN M. HENKEL, *Secretary*.

Attest:

VINCENT MCLEAN, *President*.

SARATOGA SPRINGS, N. Y., March 14, 1935.

Whereas it is freely predicted by such men as Dr. Beard, dean of historians, that the situation now existing calls for a strong domestic policy without which in times past war has speedily followed.

Whereas our Government is spending huge sums for implements of war and for war purposes; and

Whereas armaments control men, not men armaments, and it is a question of Mars or Christ, the Prince of Peace: Therefore be it

Resolved, That we humble followers of Him, who came to bring peace on earth and good will to men, assembled as the Fourth Quarterly Conference of the First Methodist Episcopal Church urge a strong domestic policy with a wider distribution of wealth and use of productive facilities, enactment of laws insuring to each and all a full measure of what he produces individually and to the community all that the community produces; be it further

Resolved, That we exhort our President and Congress to oppose increase in war appropriations, bring about material reductions in same, enact laws taking all profit from manufacture of munitions, and make the declarations of war possible only after a majority vote of the electorate; be it further

Resolved, That a copy of this resolution be sent to the Senators, Representatives at large, and Congressman SNELL from this State.

FRANK M. LAWRENCE,
Secretary pro tempore.

DISTRICT OF COLUMBIA

OMEGA PSI PHI FRATERNITY,
Washington, D. C., March 14, 1935.

HON. ROBERT F. WAGNER,
United States Senator, State of New York,
Senate Office Building, Washington, D. C.

SIR: The Omega Psi Phi Fraternity wishes to submit the following resolution on lynching:

"Whereas the United States of America is the only civilized country in the world where lynchings occur at frequent intervals with impunity in violation of all the tenets of Christianity, moral and civil law, and the Federal Constitution; and

"Whereas those charged with the enforcement of the laws of the several States have been notoriously lax in their duty to protect the lives of certain citizens when threatened by mob violence; and

"Whereas some of the States are a party to the crime, unable, or unwilling to bring the lynchers to justice: Therefore be it

"Resolved, That the President and the Congress of these United States at this session assembled enact the Costigan-Wagner antilynching bill, which will outlaw lynching and adequately protect the lives of all Americans from mobs, bent on mischief, defying all law and order and reducing our constitutional guarantee of life to a mere scrap of paper. We 4,000 loyal college men of America, do hereby beseech you in your respective positions to use your office to erase this blot from the American Nation."

We have the honor to remain,
Most respectfully yours,

OMEGA PSI PHI FRATERNITY,
LAWRENCE A. OXLEY,
Grand Basileus.
J. ARTHUR WEISER,
Grand Keeper of Records and Seal.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New Mexico [Mr. HATCH].

Mr. McNARY. Mr. President, I am not clear as to the statement of the Chair.

The VICE PRESIDENT. The Chair stated that the question before the Senate is the amendment offered by the Senator from New Mexico [Mr. HATCH] to the pending bill.

Mr. McNARY. Very well.

Mr. WALSH. May we have the amendment stated?

The VICE PRESIDENT. Without objection, the amendment will be stated.

The CHIEF CLERK. On page 11, line 5, after the word "lease" and the comma, it is proposed to insert the word "mortgage", and to insert the same amendment at the end of line 8.

THERE WAS ONCE A TEA PARTY IN BOSTON

Mr. LONG. Mr. President—

The VICE PRESIDENT. The Senator from Louisiana.

Mr. LONG. On last Friday I asked a member of this body to give notice to the Senate that I wished to speak today on a matter of personal privilege, and he then gave that notice for me. Subsequent to that notice having been given there was a unanimous-consent agreement made on the pending bill. I should like to know, before I begin my remarks, whether I would be limited under that notice on a matter of personal privilege to the time limit specified?

The VICE PRESIDENT. The Chair thinks the Senator would.

Mr. LONG. I would be limited to 40 minutes?

The VICE PRESIDENT. In the opinion of the Chair, the Senator would be limited to 40 minutes.

Mr. LONG. Then I will take my 30 minutes on the bill and 10 minutes on the amendment at this time.

Mr. President, the newspapers have been somewhat concerned in their columns with a few remarks emanating from some Cabinet members and some near-Cabinet members relative to affairs and legislation in Louisiana. The legislature of that State has been in extraordinary session and has enacted certain laws dealing with several affairs, including public works, in the State. While the legislature was in the course of its deliberations it received some instructions from Washington delivered in various and sundry manners. One was from the Relief Administrator that he had taken steps in some lines to see that certain things were done and others not done.

Another was a series of ultimatums from the Secretary of the Interior telling of dire distress and calamity which was to be visited on the State if it did not harken unto his wise sayings and salubrious imaginings.

Following that we were informed through the columns of the public press that the Secretary of the Interior had made some visits to the White House and had come back and grown almost profane in reiterating the several warnings to that State.

Our State has withstood a good many scourges and it has helped others through their distress. It has had the flood and knows what it is to fight the waters of Noah. It has even become a recipient of the dust of the West and has begun a battle against that calamity. There have been various and sundry invasions from within and without which our people have either experienced or of which they have read. But this is a new event in our lives, wherein, unlike the locust which threatens us every 7 years, we are threatened with eternal damnation in Louisiana if the State remains a sovereignty.

The objective taken by the gentleman from Washington, the gentleman who never has been elected to anything, is something I wish to discuss. We are not making any particular argument about these gentlemen who are anointed and appointed. They have a peculiar status in this third

year of our reigning empire of St. Vitus. They have a peculiar status. They are entitled to be embellished for the future history of the country. Their royal prerogatives have never yet been prescribed as they might be some day. I might refer to some of their titles in the order of their respective importance:

For instance, number 1, the prime minister, James Aloysius Farley, the Nabob of New York.

Number 2, the lord high chamberlain, Harold Ickes, the chinch bug of Chicago.

Number 3, the expired and lamented royal block, Hugh Sitting Bull Johnson, who has now described himself as the new oo-la-la of Oklahoma.

The honorable lord destroyer, Hugh Almighty Wallace, the ignoramus of Iowa; and then there are various and sundry other lesser lights whose royal prerogatives are not so well understood, but, of course, in the changing events of the day are likely to be given a better status as times may make it appear necessary.

To revert now to what has been said about Louisiana's legislature, a number of years ago Louisiana undertook to build some highways and some roads and some bridges. Louisiana was faced with this condition. There had been an administration which had continued in Louisiana almost without interruption for more than 20 years, probably for 30 years. It had begun under the Fosters and had continued under the Sanders.

We went into the Governor's office of Louisiana in 1928, not with the full State administration, but with pretty nearly the full administration. The State of Louisiana was bonded for \$61,000,000 for modern highways. The State of Louisiana had 26 miles of highways which were recognized as first-class roads.

This element which had put our State in distress urged to the people of Louisiana that they did not dare to vote another bond issue in that State for the reason that inasmuch as they, when in power, had squandered and misused the money it was only natural that whoever succeeded them would similarly squander and misuse the money. As I shall show in a moment, that element which plead guilty to having squandered the money above the \$60,000,000 limit is the element which is now in control of Federal expenditures in Louisiana. I shall name them by name and by title in a few moments.

The State of Louisiana, therefore, in the beginning of 1928 saw for itself the necessity of the criticisms which had been leveled against the conduct of those who had preceded in power should not be repeated following the year 1928, and, therefore, on the urgent demand of the banks of that State, on the urgent demand of the newspapers of that State, on the urgent demand of the chambers of commerce of that State and of various other civic bodies, the State of Louisiana undertook a road-building and public-construction program safeguarded by a board which should prevent the squandering of funds in that State whether they were raised by State appropriation or whether they were contributed by the Federal Government.

Who joined in that request? That was a request concurred in by the Federal Bureau of Good Roads in Washington. It was applauded by the bodies corporate serving under the Federal Government in Washington and in Louisiana. It was applauded by every Long and anti-Long board in the State, so much so that it was said that if Louisiana would take the lead and write into the organic law of that State a proviso that the board should not only be informal but should be a legal and constitutional body, that forever and a day would an example be set guaranteeing the proper expenditure of public funds.

I was the Governor of the State. I took them at their word, and so in the year 1928, after having proclaimed through a proclamation adopted by the board of liquidation of Louisiana, I followed in the year 1930 recommending to the Legislature of Louisiana that it submit to the people of the State a constitutional amendment. There was adopted a constitutional amendment which is now a part of the organic law of Louisiana. It created a State advisory board

composed of 7 elected public officials, of 1 official elected by the police jurists, who are the parish or county governing boards, and of 11 public-spirited business men, bankers, merchants, civic officers, who did not care to engage in politics. They insisted that the elective officers who were willing to go into politics should be a minority of the board, but that a majority of the board should be of the banker-business man type who would not be concerned in politics, but who would be concerned only in the propriety of public expenditures for the welfare and uplift of the State.

I now read to you the composition of that board:

There is hereby created a State advisory board composed of 19 members, to wit: The Governor, Lieutenant Governor, speaker of the house of representatives, secretary of state, State auditor, the attorney general, and president of the Police Jurists Association of Louisiana, and of 11 other members, to wit:

1. John Legier, of Orleans Parish.
2. E. R. Bernstein, of Caddo Parish.
3. Sam Polmer, of Terrebonne Parish.
4. W. D. Hill, of Rapides Parish.
5. P. M. Atkins, of Ouachita Parish.
6. Charles O. Noble, of Calcasieu Parish.
7. P. M. Milner, of St. Tammany Parish.
8. J. D. O'Keefe, of Orleans Parish.
9. William Pfaff, of Orleans Parish.
10. Alfred D. Danziger, of Orleans Parish.
11. Charles H. Hamilton, of Orleans Parish.

What is the membership of that advisory board?

Charles H. Hamilton was the president of the Association of Commerce, an avowed anti-Long body of that State.

Aldred D. Danziger was the president of the Young Men's Business Club in that State.

William Pfaff was the president of the motor league of that State.

J. D. O'Keefe was the Republican president of the biggest national bank in that State, and still is.

P. M. Milner was a prominent officer of the Free Bridge Association of Louisiana.

Charles O. Noble was a capitalist and a banker and an oil operator from Lake Charles, La.

P. M. Atkins was the wealthiest man of northeast Louisiana, a wholesale hardware merchant and a banker.

W. D. Hill was a banker from the central part of the State.

Sam Polmer was the biggest wholesale merchant in the congressional district known as the "cane section of Louisiana."

E. R. Bernstein was the former mayor of Shreveport, La., a capitalist and a man of high repute.

John Legier was president of the American Bank & Trust Co., of Shreveport.

That is the committee voted by the people of Louisiana in order that these newspapers and these civic bodies should have it said to the United States public boards of Washington and elsewhere that not a dime of public expenditures in Louisiana would be made unless it was taken from every avenue of fraud, politics, and corruption.

What happened? That board operated. They built paved roads in Louisiana on the most difficult soil, for the lowest cost, of the highest type and strength of construction of any public roads to be found in the United States today. Notwithstanding the numerous bridges, the cost of public roads in Louisiana—paved concrete highways, rights-of-way, and everything else taken into cost—was less than \$26,000 a mile, a low cost never equaled by any other State in the United States since they have been building public highways. No one will challenge that statement.

Now the Federal Government inform us that they are going to spend some money; that they are going to load down on the various boards of Louisiana several million dollars; that they are going to give to a city government several millions, and to another government several hundred thousand dollars, and to another board several million dollars; and what else do they do? They call into Washington the element that spent the \$61,000,000 and built no roads; they call into Washington the most rebuked, repudiated, conscienceless characters known to either the public or the private life of Louisiana or any other State; the men who built the toll bridge to kill the free bridge; the

men who squandered the \$61,000,000 and said, "Don't spend any more millions, because our successors are only expected to do as we have done." They call in the operators of the coffin clubs, the swindlers who have defamed the State with the worthless and fictitious stocks that they have sold from the Atlantic to the Pacific. They call in that gang of brigands, and then say to them, "You are invested with the authority of expending the hundreds of millions in Louisiana and you are invested with the authority of bonding and mortgaging the communities of Louisiana for the repayment of this money that you are going to be allowed to spend and over which you are to be given control."

Whom did they call in? They called in J. Y. Sanders, the man who was the head of that organization for 20 years; and the day I took the oath of office as Governor of Louisiana, on May 21, 1928, they flashed in my face a report of the auditor of Louisiana that at the end of the first year of my term as Governor, if I did not spend another cent for the highway commission we would owe only \$5,000,000 more dollars than the total revenue of that year would amount to. They flashed in my face the day I took the oath of office a contract that this man had caused the highway commission to sign by which a farmer with three children could not cross a bridge coming into New Orleans and going out of New Orleans without paying \$8.40 in toll charges to cross that bridge. They flashed into my face the parishes of the State bonded with debts that they could not pay, praying for relief because the people could not support their schools or educate the youth of the land and continue to pay the amortized bonds and accruing interest that Sandersism and Sullivanism had left to the State of Louisiana. So we assumed that burden, and with it saddled on our shoulders Louisiana undertook, under the most difficult of circumstances, to restore that State from the pillage and mire of corruption and rottenness and debauchery that is not even denied by a single newspaper in the State of Louisiana today, but which has been asserted as a matter of accepted and undisputed fact for more than 10 years, to my certain knowledge.

So we have gone ahead. We assumed \$41,000,000 of extra bonds beyond the others I have mentioned that they loaded onto the port of New Orleans, \$41,000,000 more than the \$61,000,000. They did not have any revenue behind those bonds, and we had to vote an additional tax to protect the credit of Louisiana in order to pay \$41,000,000 of port bonds issued under the authority of this continued reign of scandal and corruption that Louisiana had to bear.

Now the State of Louisiana has a chance of life. So we went out, Mr. President, and we provided in Louisiana to relieve those parishes and those subdivisions of the State of some of these debts, bonds, and obligations with which they had been left under this regime of corruption and rottenness, known to the present President of the United States. I say "known to him" because he has talked with me about it in days past. We went out to relieve that State of an overburdened hundreds of millions of dollars in debts for ports and roads that they did not build and do not pretend ever to have built. We went out to put revenues behind those obligations. We went out to restore the credit of the State, to provide education where it had never been. We went out under the curse of 20 to 30 years of prostituted government, known to the present President of the United States, whose agencies are now trying to reinstate those responsible in the State of Louisiana. I say "known to him", not to Ickes, not to Wallace, not only to James Aloysius Farley, but to the present President of the United States lies the knowledge, lies the intent, lies the desire and the demand that corruption, rottenness, and political prostitution of the lowest debauched order ever known in any uncivilized or civilized country shall be reinflicted upon a State. They do not mean me.

Now, what have they done? They have called in a relief administrator. The public press is filled from morning to night with reports that Mr. Harry Hopkins has taken away the relief administration from the Long forces in Louisiana. I wonder how long it is going to take that bunch to get

that administration away from the Long folks. Here is a news report of the Washington Herald of October 20, 1933. That is nearly 2 years ago, a year and a half ago; and it says here:

LONG SNUBBED IN RELIEF WORK

Recent appointment of Harry J. Early, of New York, to be State director of unemployment relief in Louisiana yesterday brought up with renewed emphasis the Roosevelt administration's hostility to the Long political machine in that State.

Harry L. Hopkins, Federal Relief Administrator, it was explained, sent Early to Louisiana to take charge of relief on finding what his office described yesterday as deplorable conditions in Louisiana.

And so forth. I will let that appear at the conclusion of my remarks.

So Mr. Early was sent to Louisiana, and became the Federal administrator on October 5; but when they were telling you how the Long administration had been "snubbed", they did not tell you that the Long administration never did have that relief in Louisiana. Bless your soul, when Hoover started it, he let the Governors of 47 States name their administrations, but I always have been in bad with the President. I was in bad with Hoover, just as bad as I am with this one we have now. It did not make any difference. [Laughter in the galleries.]

The PRESIDENT pro tempore. The Chair desires to say a word to guests of the Senate who are in the galleries.

When several hundred are speaking, even in a low tone, a noise is created on the floor of the Senate which interferes with the debate, and also with our guests who desire to hear the debate. The occupants of the galleries have no right to do anything or say anything that disturbs the Senate. The present occupant of the chair on one occasion has found it necessary to clear the galleries; and he states again that if order cannot be preserved in the galleries, they will again be cleared.

Mr. LONG. When Mr. Hoover set up the relief work, I was called in by the Reconstruction Finance Corporation, and I was handed a list of names that the Governor of Louisiana had to appoint on the relief work in Louisiana if Louisiana was to have any relief work.

No. 1 was Mr. Charles A. Stair, the manager of the telephone company in Louisiana. I do not think anybody will claim that he was a Long man.

No. 2 was a young man named Smallpage, who was the financial secretary of the Electric Bond & Share Co. in Louisiana; so I think you will hardly attribute him as being a Long man.

No. 3 was Mr. W. B. Thompson, an anti-Long wholesale merchant in Alexandria, La.

I think out of about 11 names they allowed me to suggest that it might be a good thing if they had just one Long man on the board, so that everybody would know we were taking no offense; and I believe they put one or two of our friends on it just to make it look good. Of course, he was not supposed to attend any meetings, or anything of that kind, but his name was in there. Now, after they have had this anti-Long administration for many years, lo and behold, we are suddenly told that they have to send a man from New York by the name of Early because of rampant corruption that has been found to exist in this board that we had nothing to do with naming, and nothing to do with running. So they sent Mr. Early from New York to Louisiana. He served for a certain period of time, and now we hear from the articles coming from Hopkins and Mr. Ickes and Mr. Roosevelt that they have found terrible corruption in Louisiana again; that their second selection has been found incompetent; and they have, therefore, appointed another one to take it out of our hands.

They always had it out of our hands. They always had it "politicalized." They always used it against us, and they can use it against us again. But they will find out in January how much good it does them when they count the votes there the next time. It will do them nearly about as much good as it did in the month of September, not quite as much, because the boys were expecting more that time. But it will not do them any more good, I am certain.

They have appointed Mr. Frank Peterman. Who is Frank Peterman? He is a man I elected to the State senate. He is the man I named president pro tempore of the senate. He is the man who issued so many checks and so many drafts upon everybody who was in the employ of the State administration that I had to make him resign as president pro tempore of the senate. He got to sending in checks and drafts so thick, and clubbing the members of the State administration to pay those drafts, that we had to make him retire as president pro tempore of the Senate, after he sent draft after draft after draft. He sent three drafts on one member of the highway commission within 30 days for \$75 apiece, beginning in the month of December and winding up in the month of January 1932. So this gentleman, who was formerly an attorney, and still is the lawyer for the Texas & Pacific Railroad and the power companies; this gentleman, who could not even be satisfied with the money that he was getting from them, but was sending draft after draft and making us pay his drafts down there day and night, who was holding up State officials for money under the threat that, being president pro tempore of the senate, he was likely to visit some dire disaster on them if they did not pay the drafts and give him the money—this gentleman who finally had to be removed, who was made to go in and tender his own resignation as president pro tempore of the Senate in order to keep from being exposed, and who went in and tendered his resignation as president pro tempore of the Senate—this man has been picked as the relief administrator, to do away with politics down in Louisiana. They propose to start that burglarizing on us again. That is number 1.

Number 2. They set up as a board of the P. W. A. down there a gentleman by the name of Edward Rightor, and they said he was an ally of Sullivan, who was connected with the wire service and gambling institutions, and they wanted to send to the highway commission a gentleman by the name of Orloff Henry, saying that he would have to be named on any highway construction job that the State of Louisiana had. Right off the bat they began sending out word to this materialman to raise the price "or you will not get the job", to "raise your price, and you will get the job."

We served notice on them that the public roads and highways of the State of Louisiana will be under the jurisdiction of the Louisiana Highway Commission, and the Bureau of Public Roads in Washington, D. C., and the State advisory board, and they will be under no other authority, and no realm of corruption and rottenness can be saddled upon Louisiana in exchange for giving us that fund.

If we have to surrender the sovereignty of the State of Louisiana, we will surrender it into hands that are not reeking with confessions of such fraud and graft and corruption as that gang has acknowledged. They cannot come down there and have the State of Louisiana confess itself into that kind of a situation. So we passed a law.

Last year we said to these communities and boards and departments of Louisiana, "We will take up these bonds you are having to pay. We will assume them as a matter of State obligation, in part, and we will impose taxes and pay this bill." So we levied a tax on the corporations, we levied a tax on the refineries, we levied an income tax, and we devoted the proceeds of all those taxes to paying off, as far as possible, the bonds which had been levied upon those people during the last 30 years, when we had nothing to do with levying them or spending the money.

Just as we got those bonds arranged and the taxes levied and we had to go through a civil war to make the taxes stick to pay off the bonds—lo and behold, they send word that they are going to put all these boards and municipalities in debt again, and allow the money to be squandered.

What have we done, therefore? We have taken the radical step of requiring that expenditures of these funds shall be approved by the State advisory board of Louisiana. We have simply said to Mr. Ickes, and to Mr. Hopkins, and to Mr. Roosevelt, "If you want to lend any money to any board of that State to build a public project, we want to be satisfied, first, that the community needs the project; and we

want to be satisfied, second, that the money will not be squandered, as the last money sent to the State was squandered."

I have the proof here in my hand to show how the money has been squandered in the past. We say to them, "If it has been a good thing to have the State advisory board in the past, it will be a good thing in the future; but if you expect the public boards and bodies of Louisiana to be reloaded with obligations of which we have relieved them during the past year, obligations for which primarily and ultimately the State of Louisiana must stand responsible, then you ought not to allow that money to be spent, or misspent, or squandered, unless the State advisory board, nonpolitical, nonsectarian, is allowed to pass on the necessity and the regularity of the expenditures."

Is there any necessity for that? I hold here in my hand a report submitted for the commission council of New Orleans. I have not time to read it, but it is a report in which a public official of the city of New Orleans says:

We had a political campaign in the month of January 1933. The C. W. A. board took our entire pay roll and paid its standing, regular wages that we have had to pay, and thereupon we took the regular wages, for which we were collecting taxes, and bought votes throughout the city of New Orleans in the month of January.

I have it here, in their public report, which cannot in effect be read in any other way. And now they want to take \$100,000,000 and spend it in the same way. It is bad enough to have it spent that way, but then to leave them to have to pay it after the money has been squandered for politics and elections of that kind is worse!

They might go down there and spend the whole \$5,000,000,000, but they could not win the election. They could, however, load us with \$5,000,000,000 of debt which we would have to pay, for the payment of which they have mortgaged those communities as a result of carrying on their politics.

Mr. President, how much more time have I?

The PRESIDENT pro tempore. The Senator has 6 minutes left.

Mr. LONG. I am sorry I have not more time. I certainly would like to complete my statement of this case. I will not have the time, however.

Let me show the Senate the type of men to whom I am referring. I hold in my hand a little charter, the charter of a "tombstone and coffin club", operating in the State of Louisiana. They issue a man a policy of insurance, and on the face of that policy it reads, "\$500." This is an old skin-game society, which, when a man dies, sends his family a check for \$10, and tells them they have a clause in the policy providing that if he dies from such and such a thing they divide it by two, and if he dies from something else they divide it by six, and if he dies from something else they divide it by twenty-some odd, or more than that.

They called in the little, crooked operator of this little, crooked society, which we had to put out of business by State law, and I have the evidence in my hand for that statement, which Senators can read if they desire. They called in this little man, and he began summoning the people from south Louisiana, telling them millions of dollars of public funds were going to be placed in the hands of this swindler for disbursement. They are going to load down the municipalities and corporations of the State with debt, and then call upon the Long administration to pay the debts, as they did the last time.

They are not worried. They get all the money they want from the United States Government. They spend it in their filthy politics, and in the rotten debauchery from which we have relieved the State, and leave us to pay it back.

Mr. President, that is known to the President of the United States, I reassert. They get the funds under this Washington administration, load our State government down with debt, spend the money for rotten politics, and then they ride off and say, "That is the result of the debauchery that has been inflicted on Louisiana as the result of Huey Long's administration."

Everything they have been able to spend and inflict in all of their scourges of the past they say are due to the politics of HUEY LONG in Louisiana, notwithstanding the fact they

have had two boards already, and that they were appointed from the ranks of the opposition. Now they have sent down a third, because the others were not quite low down enough for the crooked debauchery they have found necessary for the politics of the coming January.

We have passed a law providing that no municipality shall bond itself without the consent of the State, and that none of these funds for which they have issued bonds shall be spent unless they have received a cursory review and a proper examination on the part of the State advisory board. The law was enacted to take care of such things as this. That is our whole program. Who is going to be injured?

Mr. Ickes said: "Oh, no; we will not lend this money to a municipality which has anything to do with the State." Well, how is the municipality incorporated? From what does the municipality derive its right to borrow money? It derives its authority for its existence, it derives the authority for its maintenance and operation, from the State. But the pronouncement from Washington issued by the President of the United States, through his lord high chamberlain, Harold L. Ickes, is that the State of Louisiana must not dare to say to its own creature, "There shall be propriety, honesty, and regularity in the expenditure of this money." That is the ultimatum. The sovereignty of the State shall be no more. A new "Boston tea party" has been declared. The new President of the United States has set up a "Boston tea party" of his own by which he will reach into the sovereign States of this Union, 48 in number, and he will draw out the tax resources from those 48 States, and then he will withhold from those 48 States their proportion of the funds we have appropriated if they insist upon exercising the right of a State. It is a new kind of a "Boston tea party" that has been decreed by the President of the United States, in which he says to Louisiana, "Yield in this instance to the corruption and the debauchery from which you have freed yourself." "Yield", says he, "to Sanderism." "Yield", says he, "to this squandering set that afflicted Louisiana with a curse worse than the yellow fever, worse than a flood." "Yield", says he, "to this rampant state of debauchery, to prostitution, to utter degradation." "Yield", says he; "surrender your sovereign right to supervise that for which you will be held a debtor, in order that our program may be carried on as a new kind of a 'Boston tea party.'" The State must not only be taxed without its consent, but the State must allow the money to be spent only by surrendering its sovereign right.

There may be a new kind of "Boston tea party" Mr. Roosevelt is creating, but that "Boston tea party" can work two ways. Do not forget that! This "Boston tea party" can work two ways. When you strip the States of this Union of their sovereignty to supervise what afterward they are to be held for, they can strip themselves of the sovereignty of becoming debtors for taxes. Strip them of the sovereignty in one way and they will strip themselves of the sovereignty in another way. You have to go into those States to collect your taxes just as you have to go there to spend them.

The PRESIDENT pro tempore. The time of the Senator from Louisiana on the bill and on the amendment has expired.

THE TWO FORCES EVER CONTENDING FOR SUPREMACY

Mr. SCHALL. Mr. President, since that lawless day—June 16, 1933—when Congress forgot the Constitution which the Members had sworn to uphold and when a rubber-stamp majority surrendered its legislative power to the White House and passed the act to legalize monopoly and crush independent industry, this country has been visited by the greatest flood of economic disasters in its history.

Since July 1933, when the first N. R. A. codes were proclaimed, the industrial production of the United States—which is the chief source of employment and likewise the main source of taxation to support all government—has been reduced in most industries by 25 percent.

Since that July 1933 the army of unemployed has grown to upward of 11,000,000, or to one-half the total of the unemployed for all the industrial nations of the world.

Since that abhorrent day the number of persons carried on Federal relief rolls have swelled to 23,000,000, one-fifth of our population and the greatest public-dole roster in world history.

Since that July 1933 the accumulated deficits of the Treasury, which is the scoreboard of the country's financial failure and shame, have piled the public debt by billions above the World War peak, until the interest burden thereon exceeds our Federal revenues from income taxes.

The homes of the country have been robbed by the extortionate trust prices of legalized monopoly.

The workers have been robbed by trust prices on the cost of living. Thus their real wages have been reduced by code price fixing, while their jobs have been reduced in two ways: First, by wiping out the small industries, and, second, by reducing production and employment to boost the price.

The farms of the United States have been doubly afflicted by the codes of the N. R. A.: First, the forced reduction of industrial production has cut down the home-market demand for everything the farmer raised; second, the price has been increased for everything the farmer bought.

The revenue of the railway freight carriers have been reduced by the fallen tonnage of industrial production and the declining volume of interstate commerce, until scores of formerly prosperous railways are now reduced to the disastrous extremity of either Government ownership or bankruptcy.

The banks, which, because of depressed industrial production, have been compelled to reduce their industrial loans by over \$3,000,000,000 since 1932, are in the same slough of despond as are the industries and utilities, and are faced with Government ownership or bankruptcy. In face of this comes the President's "must" of title II of the pending banking bill. If this political centralization is passed the President becomes the financial dictator of the country and can make or break any banking institution at his own sweet will.

The volume of industrial, financial, railway, and utility shares of common stocks marketed in 1934—the second year of the new deal—fell to one-half the sales of 1933 and 100,000,000 shares less than in 1932.

The only glimmer of hope of relief from this 2-year orgy of disaster—the only bright ray of national industrial recovery—is the knowledge that the N. R. A., by the terms of the act itself, expires on June 16, 1935.

There is only one possible disaster that can stay that glad omen of general public relief, and that is the failure of the Members of the Senate to support their oaths to uphold the Constitution.

Why should any Member of the Senate desire to arrest the due processes of Nature, defy public opinion, and dis-appoint his constituents, fly in the face of the Constitution, indeed, ignore even the terms of the N. R. A. Act? Why not give the people of the United States another breath of hope, as when the Senate voted down the President's ambition for our adherence to the League of Nations by way of the World Court?

If we are here to represent the will and desires of our constituents—the home owners and the workmen who have been harassed by this squawking and felonious foreign-bred "Blue Eagle", the farmers who have lost sales by reduced industrial production and have paid monopoly prices, the shops and mills which have been strangled in a supposed free country—we shall not be particeps criminis to the extension of the life of this ill-omened bird of prey.

The Senator from Maryland [Mr. TYDINGS], one of the ablest spokesmen on the majority side of the Senate aisle, told the Senate on April 2:

The N. R. A. is the greatest prop ever put under the trusts of America. Every Senator in this Chamber knows that to be so.

And no Senator has denied that statement. Are we here to prop the trusts? Is that the purpose for which we were elected?

The Democratic national platform carried this pledge:

Strict and impartial enforcement of the antitrust laws to prevent monopoly and unfair trade practices.

What will be Senators' answer to the folks at home on that pledge? Will the answer be:

I forgot you and the Democratic platform, but I will never do it again. I did all I could to suspend the antitrust laws and extend that suspension and legalize monopoly and unfair trade practices because the President told me to.

The Senator from Maryland [Mr. TYDINGS] further declared:

Every policy of the N. R. A. is a policy to increase the cost of manufactured commodities.

There are 125,000,000 consumers of manufactured goods in the United States, or an average of over a million consumers to each Senator. Will any Senator tell those million constituents of his, who voted for him on the pledge to enforce the antitrust laws against monopoly, that his vote was cast to destroy the antitrust laws and prolong the life of the N. R. A., whose every policy is to increase the cost of manufactured goods consumed by them?

The eloquent Senator from Maryland [Mr. TYDINGS] further remarked, in his exposure of the N. R. A., that by extending this act—

We not only make recovery of the country impossible, but in the succeeding election we will make the recovery of the Democratic Party absolutely null and void.

For over a generation the national platforms of all the political parties have pledged the people for the enactment and enforcement of antitrust laws against monopoly. Few Members have been elected to this Chamber in the past 40 years who have not pledged their constituents to legislate against monopoly and in favor of strict enforcement of antitrust laws to prevent monopoly.

What are pledges worth? What are speeches worth? What are the platforms worth on which we swear to stand? What are the public records of the United States Senate worth if we turn traitor to the pledges of 40 years and admit that we have been elected year after year by false pretenses?

Are we to admit and confess by our votes for the N. R. A. that our particular business is to secure public office by false pretense? Are we here not as representatives of our people, but as obedient props of the international trusts which exploit our people?

Are we here not as independent and responsible delegates of sovereign States, but as dependent and irresponsible mercenaries of federalized monopoly?

To obtain our senatorial seats we have sworn to uphold the Constitution, which in article IV guarantees to every State a republican form of government. Are we now to abdicate from our sworn allegiance to our respective States, shift our allegiance, and vote for an N. R. A. which guarantees to every trust an autocratic form of government? Shall we substitute the united trusts for the United States?

The crimes and misdemeanors of the N. R. A. and the 731 codes of unfair monopoly, the rules and regulations, under the authority given the President, which are as binding as if they were law, run into 75 bound volumes. In addition there are 5,000 more such rules which were meant to be as binding as laws passed by Congress. In this new-deal library its Blackstone would be that now commentary by Gen. Hugh S. Johnson bearing the illuminating title, "The Blue Eagle from Egg to Earth."

All the ideas of all the petty bureaucrats have been incorporated into such laws and from one end of the country to the other have sent free American citizens to jail under some hasty, ill-considered rule, the gilding object of which is to demoralize, intimidate, and punish any who dares to operate his business as it has been operated for a century and a half without the consent of some petty minion of the great smiling tyrant. And yet the Constitution guarantees that our Government is a Government of law, not of petty men.

During the entire years of this administration the people have been hounded, broken in business, sent to jail by whims and fancies of thousands of fascistic- or communistic-minded tyrants who scheme the destruction of the Republic, not its recovery. Washington and the country today swarm with secret spies, out-Russianing Russia, who report anyone and

everyone who dares to breathe a thought against this administration and find in its star chambers ways and means to quiet anyone who dares speak out for the preservation of his country.

The criminal career of the N. R. A. began in its conception. The United States Supreme Court, in its recent decision in the petroleum code case, has shown that the codes were conceived by an unconstitutional delegation of the legislative powers of Congress to the Executive. Thus the Blue Eagle was born in unlawful wedlock. It was conceived by violation of the fundamental law of the land.

Moreover, it was born for a criminal purpose. Its fundamental aim was not only to suspend the antitrust laws but to break down the common law of the courts of the English-speaking race—the common law against monopoly—the common law which Washington and Jefferson, which John Marshall and the Supreme Court had recognized from the birth of this Republic down through a thousand decisions of American courts.

That the practices of the N. R. A. are criminal, are tacitly admitted even by the Department of Justice, when it refuses to test these illegal practices by appeal to the Supreme Court after the lower court has denounced their validity.

That these criminal practices cannot be administered under the law of the land is admitted by the administrators thereof—as shown by the resignations of Administrators Johnson and Williams, as further shown by wholesale resignations of bureau chief and board members, and even now is tacitly admitted by Richberg, the last administration experiment.

Richberg came before the Senate Finance Committee, on the first day, with an admission that about 18 codes were rotten. And on the second day, he admitted that of the total 731 only 171 should be retained, thereby admitting that 560, or nearly 80 percent of the whole number, were indefensible, and therefore null and void in principle and practice.

In other words, the N. R. A. administrator finds that 171 trusts still find the codes and their monopoly heads useful in exploiting the American people in violation both of the antitrust laws and the common law against monopoly.

Meantime, General Johnson's textbook of the N. R. A.—"The Blue Eagle from Egg to Earth"—finds that the whole N. R. A. system is "dead as a dodo", and that the third administrator, Richberg, has "ants in his pants."

Are Members of the Senate so anxious to be classed by history with Richberg and the trusts, so eager to be bitten by the ants of the N. R. A., that they propose to enroll themselves as nursemaids and internes in the attempted rebirth of the N. R. A.?

Do they wish to be listed as midwives and quack doctors for an attempted Caesarian operation upon the Constitution in order to bring forth a second puny brood of unlawful codes of N. I. R. A.?

That is what we are asked to do. It is an insult to our intelligence, but we cannot escape the responsibility for our action. We have the privilege of sitting down with Richberg, who admitted, when cornered, that the actions of the N. R. A. were unlawful, but who insists on retaining his regal power through the extension of N. R. A., despite his own admission. What respect will he have for our integrity if we, through our votes, perpetuate this unlawful monster?

The crimes and misdemeanors of the N. R. A. begin with the violation of articles I, IV, and VI of the Constitution. They continue by violation of the constitutions of the 48 States, and by violation of the common law against monopoly. Their final career is the violation of the N. R. A. Act itself—which restricts the administration to interstate and foreign commerce only, and prohibits the use of the codes for the ends of monopoly—which is the prime and chief use of the 731 unlawful codes.

Every one of these codes is based upon an unconstitutional delegation of legislative power to the Executive. When Chief Justice Hughes read the indictment of the petroleum code he pronounced the death-knell of the 731 codes—

all resting upon unconstitutional delegation of legislative power.

These codes not only assume unlawful legislative power, but they are unlawful assumptions of judicial powers. They assume that the N. R. A. administration is both the legislative body, the judge, and the jury. They assume to overthrow the entire American system of government by the people.

The climax of this licentious assumption of autocratic power is reached when members of the Cabinet and bureau chiefs seek to give the N. R. A. the powers of a corporation having "perpetual existence" by organizing six Federal corporations in Delaware—all proposing to take over the powers of the N. R. A. and expand those powers to a system of Government ownership and operation of industrial and utility plants, with all the powers of the Soviet general council in Moscow.

The first of these Delaware holding companies, of which Secretaries Wallace and Morgenthau are controlling board members, incorporated October 16, 1933, is based upon—

2. The National Industrial Recovery Act, approved June 16, 1933.

This Delaware corporation then proceeds to expand the powers of the N. R. A. to include the following:

(d) To engage in any activity in connection with or involving the production, carrying, shipping, storing, exporting, warehousing, handling, preparing, manufacturing, processing, and marketing of agricultural and/or other commodities and/or products thereof.

There is only one way to put an end to this Soviet plan incorporated in Delaware, and that is to bury every vestige of the N. R. A., the basic foundation of this corporation, on June 16, 1935, as provided by the act itself. Otherwise, if we permit Richberg and the President to have their way and extend the act, there is nothing to prevent the financing of this Delaware project from the four billion allocation.

Take, again, the Delaware corporation incorporated by Ickes and Kohn October 27, 1933, which likewise creates a corporation having "perpetual existence" by expanding the powers of the "National Industrial Recovery Act (Public Act No. 67 of the 73d Cong.)," as provided in article (1) thereof, until the powers of the N. R. A. include:

(4) To manufacture, buy, sell, and in any other manner to acquire or dispose of, and generally deal in, building materials and other products of every kind, nature, or description, including without limitation iron, steel, granite, stone, brick, cement, wood, paper, and plaster.

These Delaware articles of incorporation bear the notation, "Do not publish." The undoubted design is concealment of the premeditated crime and purpose. What use is to be made of the \$5,000,000,000 appropriated in one sum "subject to the allocation of the Executive"? Does anybody know? Does not the use of this unprecedented fund—two billion greater than the total annual revenues of the Government—come under the same blanket of concealment?

There is just one sure way of blocking the use of this \$5,000,000,000 appropriation for carrying out the incorporated ends of these Delaware corporations incorporated by Cabinet and bureau chiefs, and that is to bury N. I. R. A., the basic act on which these Delaware corporations rest.

He who seeks to prolong the life of N. I. R. A. becomes particeps criminis to the attempt by these Delaware charters to convert the United States of America into another Union of Soviet Socialist Republics, such as Russia has in Moscow.

Shall we substitute the N. R. A. of the new deal for the Constitution and Bill of Rights? Shall we give the service of our votes to tear down the America of Washington and Jefferson, and plant on the ruins the Union of Soviet Socialist Republics of Stalin and communism?

Will the United States attempt to perpetuate the unfair codes of monopoly by extending the life of the codes under Delaware charters of "perpetual existence" and the thinly veiled hypocrisy of "codes of fair competition", which all men know to have been drafted in behalf of the trusts, by the trusts, for the trusts, under suspension of the antitrust laws?

If that is the program of the majority, then let it beware the fate declared by the distinguished Senator from Maryland [Mr. TYDINGS], who warns his party that—

In the succeeding election we will make the recovery of the Democratic Party absolutely null and void.

The Senator from Maryland is not a lone voice from the Democratic side, because when this unlawful act was passed there were 13 other Democrats who cast their votes against with his, and no doubt the practical demonstration of the muss the N. R. A. has gotten the Democratic Party into will produce other wise Senators who sometimes change their minds and will have the courage to stand by that change despite the coercion of our smiling President.

Why did a sound Democrat like the former Senator, Jim Reed, and the former Secretary of State, Bainbridge Colby, and the former Democratic candidate for the Presidency, John W. Davis, inveigh against this outrageous crime upon our Republic? Every patriotic, sound Democrat throughout the country has thumbs down upon extending the life of this tyrannical monster. Backing that decision, regardless of party, are 90 out of every 100 voters, whether farmers or wage earners, producers or consumers, business men or housewives in the United States, and if the people were still the sovereign power of this country the N. R. A. never would have been and surely would be destined to die its natural death. It never could have passed this Senate in the first place had not its period of duration been stated. Are we for the perpetuity of America and American freedom, or for the Tammany Hall and Wall Street regime of subsidized monopoly—the underworld racket of the N. R. A.?

Has the Senate majority reached that stage of its existence when, despite its pledges of 40 years and all its platforms, it will follow the Blue Eagle from egg to earth? It is a choice between the funeral of the Blue Eagle on June 16, 1935, pursuant to law, or the funeral of the Republic through violation of the law.

Will they follow the commands of the code profiteers to give charters of "perpetual existence" to the 171 king trusts, or heed the prayers of the 125,000,000 who cry, "From the crimes of the N. R. A., good Lord, deliver us"?

The only reason the President wants to extend the N. R. A. is to hold the power it gives him, the political machinery it has built up, the employees it has furnished jobs. There is no thought of the people; the only thought is, Can the administration win in 1936 with the \$5,000,000,000 campaign fund, the most staggering in history?

If the President gets his section 2 of the banking bill, if he gets the N. R. A. extended, and with the \$5,000,000,000 campaign fund he wins the election of 1936, then the velvet glove will be pulled off and we shall see the steel hand of the tyrant without more camouflage. The voice of Jacob will have served its purpose of deception and the hairy hand of Esau will have been permanently declared the heir and head, and in that hand of stealth, secrecy, deceit, fraud, hypocrisy, duplicity will be placed the fate of our once glorious but now crumbled Republic, upon whose ruins another Caesar, another Napoleon will have built his throne. The international Fabian organization will have all but succeeded in its plot to destroy our Republic and substitute in its stead a communistic, or fascistic form of government. The bayonet, secret service, and star chamber will do the rest.

It is with a sense of doom and foreboding that I speak. Planned crisis after crisis has been forced upon us, and they have been met with the subservience of dumb-driven cattle. Right after right this Congress has meekly given away. Today we stand at almost the last barrier. Shall we again barter our birthright for a mess of pottage? It is hard to conceive that free Americans have allowed themselves to be mesmerized into a condition of unthinking passivity.

You Democrats, I challenge you; stand by the principles of Jefferson, your founder, and defeat this insidious foreign-planned attack on our liberties. Do not wait until you have revived the terrible thing, without a dotted "i" or a crossed "t" to protest. You see what it is contemplated to do with

your generous gift of \$5,000,000,000. Already, in secret, it has been decided not to pretend to begin public building construction until November; by November, Senators, it will soon be so cold that the work will have to be continued over to the spring, and when the spring comes another excuse can be found that the work may not be started until, shall we say September, that the full flood and force of this \$5,000,000,000 campaign fund may be poured into the country just previous to the November election in 1936. The last election only cost the taxpayers \$200 for every new-deal vote, but with this \$5,000,000,000 and other billions left over from other appropriation gifts to the President, one can see that the \$200 per vote can be multiplied by three or four; and who cannot say that the next Congress will be coerced into making another \$5,000,000,000 allocation to the President? A leading Democrat, the Senator from Kentucky [Mr. LOGAN], said here upon the floor that he should not be surprised if we were called on to appropriate another \$5,000,000,000 at the next Congress.

Already your masters, swollen with powers, are beginning tyrannically and shamelessly to put into effect their full punishing power. A child could have foreseen this, but docile, obedient, always hopeful, though so many times deceived, you passed the bill, though no one in this broad land could get a word of information as to who shall administer this stupendous sum or how or where or when. We had the opportunity to safeguard the interests of the people, but we did not do it. Are we going to avoid our duty once again? Surely there are men here who cannot by this time but see what the plot is. If you supinely pass the N. R. A. extension and the administration's banking bill, you might just as well go home and stay there; and I am sure that the President will so instruct you just as soon as he acquires these two little things so necessary to his great ambitions. It will then be "all up" with the country, and we can only look forward to the inauguration of sovietism. For your country's sake, for your children's sake, I beg of you stop, think, act before it is too late; do not go like "dumb, driven cattle" to the slaughter. In a few more weeks, days, it will be too late. Now is the time to be men and assert yourselves.

Look around. See the havoc that has been wrought. Hear the cries of distress. See the arrogance of our masters. This proud Capital city has degenerated into a crossroads village. Dignity has departed, and the press reports of national doings resembles the doings of Podunk, billingsgate, personalities, and small times squabbles taking front-page space.

Where are our principles? Where is there hope in this headlong rush to sovietism? Where a sane, calm leader, whose concern is the good of our own people? Look over the list of key men now in control of our beloved America, once so sane, dependable, a haven of security and certainty, and you will find hundreds of internationalists, Communistic, and Fascistic advocates surrounding in a complete "red" circle our smiling President.

Regardless of platform pledges, the new deal has well established these poor suffering old United States in socialism. The history of long years of a civilization of individualism and representative government was thrown by the board and crack-brained experiment substituted. A civilization which guaranteed to its individuals freedom, luxury, and incentive, and was the envy of all nations, was junked overnight, and in the frenzy of our despair there was forged on us the chains similar to those under which Russia is starving to death.

They never intended anything else. All this talk of recovery has been but "springes to catch woodcocks." "Oh, judgment, thou hast fled to brutish beasts and men have lost their reason!" The whole plot has been to make capital of our misery, and, in the hopelessness of our distress, to catch and bind and deliver us to the Soviet system.

You know what is the condition of Italy, where fascism has destroyed all freedom, and no more is there any independent industry or prosperity. Do you want to gratify one man's imperial ambition? Do you want to establish here another Germany, and a return to the Dark Ages, with wholesale assassination, and the end of freedom of thought

and expression? Do you look to Russia as an ideal, where poverty and misery and starvation are rife? Do you want to put our farmers in the state of the Soviet farmers—rob them of their grain, starve them to death, subject them to the tortures of cold and starvation—our free farmers, who have written the history of this beloved country from Lexington to this present day?

This punishing Government has not yet begun to exercise the tyranny which Senators have put trustingly into its hands to employ. When all the rights and liberties of our people have been supplanted by bloody, calculated cruelty, when the conflict arises, and class meets class in violence, what shall you answer to your conscience? Think! Act! Do not let yourselves be drugged into blind submission; do not betray the wholesome, upstanding American people.

When has it ever been that our Government has seen its men in control stoop so low and behave so meanly as to punish whole sovereign States in order to "get even" with their Democratic Governors who still think and act in accord with the Constitution, despite the kindly advice and later coercion of our like-to-be-God President? When has human misery so openly been made the pawn of politics? We have fallen upon an evil state when no longer can we have faith and confidence in the spoken word of our Executive, when his trusted officials tell us one thing and, under cover, do the opposite. It has been the custom in this country to let the people know. Now, no one, except the inner circle, is allowed to question or find out the plan of the dictator.

When the Kaiser became drunk with power, he spoke of "Me und Gott." Our imperial court, with an airy gesture, has even dismissed God.

A young man, Henry J. Burrow, Jr., from St. Paul, a Bible student, studying for the ministry, the other day visited our smiling President to urge him to set aside 5 minutes on some certain day for prayer for the Nation's troubles and against the impending drought. The guardians at the portals of his august majesty informed this young religious zealot that the President could take care of the situation; that he wanted no help from God. In short, if his ambitions are fulfilled—and they seem upon the verge of being fulfilled—he will become God as Lenin has been substituted in the Union of Soviet Socialist Republics for the Divinity. Christ, upon whose teachings this Republic was founded, will no longer need acknowledgment. Home and family ties, the right to worship God as we choose, liberty of speech and press and person, religion, may be things of the past, as in Russia, where the late Commissar of Education Lunacharsky said:

All religions are poison. They put the mind to sleep and destroy it; they kill both will power and conscience. War to the knife must be declared against all religions. Our task is the destruction of all religion and all morality.

The PRESIDING OFFICER (Mr. HATCH in the chair). The time of the Senator from Minnesota has expired.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico [Mr. HATCH].

Mr. BAILEY. Mr. President, I inquire what is the question?

The PRESIDING OFFICER. The clerk will state the pending amendment.

The CHIEF CLERK. On page 11, line 5, after the word "lease" and the comma, it is proposed to insert the word "mortgage", and to insert the same word at the end of line 8.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. This is the same amendment on which the Senator from Louisiana previously spoke.

Mr. LONG. Very well.

Mr. BAILEY. Mr. President, I should like to have the effect of the amendment explained by its author.

The PRESIDING OFFICER (Mr. MURPHY in the chair). The Senator from New Mexico [Mr. HATCH] is the author of the amendment.

Mr. HATCH. Mr. President, I will explain the amendment to the Senator from North Carolina. He will observe that in section 5 of the bill it is provided that voluntary liens created by a purchaser from the Corporation shall be cause for declaring all the payments due. In section 6 of the bill it is provided that no purchaser of property from the Corporation shall, "without the written consent of the Corporation, sell, lease, transfer, assign, or convey any such property." The amendment proposes to insert with those words, after the word "lease", the word "mortgage", in order to show the policy on the part of the Government that no voluntary lien shall be created on any property purchased during the time any remaining payments shall be unpaid.

Mr. BAILEY. It means that the purchasers may not create a second mortgage so long as the money is unpaid to the Government.

Mr. HATCH. That is the purpose of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The CHIEF CLERK. On page 3, line 16, after the word "rehabilitation", it is proposed to insert the words "or under any power given him by said act", so as to read:

(c) The Corporation shall have capital stock in the amount of \$50,000,000, and the board is authorized to increase such capital stock from time to time in such amounts as may be necessary to carry out the functions of the Corporation. Such original capital stock may be subscribed for by the President on behalf of the United States, and payments for such subscriptions may be made from any sums appropriated by the Emergency Relief Act of 1935 which may be allocated by the President or otherwise made available for rural rehabilitation or under any power given him by said act.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. LONG. Mr. President, in the State of Tennessee there was a man handling Federal relief under another man. Mr. Menzler was the head of the relief down there, but he had a man under him by the name of Duncan. They sent a man down there by the name, I believe, of Watson, regional field examiner of the Federal Emergency Relief in Washington, and he wrote this in his report:

Mr. W. M. Duncan was appointed auditor of the Tennessee C. W. A. in December 1933. He was a certified public accountant and apparently had excellent references and agreed to carry out the policies of the C. W. A.

By the 1st of February in 1934 it was apparent that Mr. Duncan was not qualified for the position.

I want that to be noted by the Senate. I am reading from the report of an officer of the Government itself referring to Mr. Duncan.

By the 1st of February 1934 it was apparent that Mr. Duncan was not qualified for the position. It was also ascertained that he was being controlled by the same political ring that controlled Mr. Menzler. So it was felt advisable to make a change in the accounting division as well as the administrator—

On the ground that they were controlled by a low-down political ring, I suppose. I do not know whether that is so or not. The ring might have been all right, so far as I know.

Mr. Johnstone and I were both in Nashville for a week during the process of the change. Colonel Simpson, who replaced Mr. Menzler, asked Mr. Johnstone to make and approve recommendations for the staff. I agreed to make an investigation as to available accountants. Because the situation had to be handled quickly, and knowing Mr. Duncan was vice president of the Tennessee Certified Public Accountants' Association, I asked for his recommendation as to his successor, and his recommendation included that of Mr. C. P. Harris, along with others. It was soon ascertained that Mr. Harris was the outstanding candidate of the group, and within 24 hours he was appointed and installed.

He was removed for some cause. There was appointed down there, as the record shows, a man named Simpson.

Simpson was highly recommended by the newspapers, which, of course, is not to his credit in some places. I am informed that Simpson has been removed and they have reinstated Mr. Duncan, concerning whom the United States report said that—

It was apparent that he was not qualified and was being controlled by a political ring.

I do not know how true that is, but I merely show these reports which the Government renders on its own men from time to time ought to be fumigated. [Laughter.]

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG. I yield.

Mr. McKELLAR. If the Senator is referring to one Walter L. Simpson, who was removed for dishonesty and corruption, I will say that in what he says there is not a word of truth; not a word.

Mr. LONG. I do not know about Mr. Simpson.

Mr. McKELLAR. The Senator is again taking Tennessee as an example. I say to him that I know something about Mr. Simpson. I was almost if not entirely responsible for his removal for dishonesty. If the Senator is defending a man like Simpson he does himself a great injustice. He ought not to stand here and defend such a man.

Mr. LONG. Mr. President, I do not know Mr. Simpson.

Mr. McKELLAR. If the Senator knew him he probably would not be talking about him.

Mr. LONG. I have not said a word to his credit or discredit. I was reading about a man named Duncan who the Government said, was not qualified and was being controlled by a political ring.

Mr. McKELLAR. Duncan from where?

Mr. LONG. From Tennessee.

Mr. McKELLAR. I never heard about him. The Senator is again mistaken in his facts.

Mr. LONG. Then, the Government is mistaken about it. I would not doubt that they are, because most of the things we get out of them are fairy tales. [Laughter in the galleries.]

Mr. McKELLAR. I would not doubt the Senator is mistaken about it. Remembering how greatly mistaken the Senator was in statements he made some time ago, which were wholly without foundation in fact, I have no doubt the Senator is mistaken again just as he then was.

Mr. LONG. Does the Senator refer to the charges on which he would not allow testimony to be adduced under oath? The Senator says they are untrue because he would not let witnesses swear to their truthfulness.

Mr. McKELLAR. We had the facts before us and passed on them, and because they did not tally with what the Senator thought were the facts, he rises here and talks about things about which he does not know anything in the world, and about a man concerning whom he does not know anything except such information as he obtained from a couple of crooks down in Tennessee, for whom he sent, according to his own statement, and had come here and advise him about what honest men should do.

Mr. LONG. Mr. President, I am using now only such information on this last matter as appears over the signature of Robert B. Watson, regional field examiner of the Federal Emergency Relief Administrator, and they may be crooks as the Senator from Tennessee says. I do not know. I rather think they are from what I know about them. However, I do not want to get into any argument with the Senator from Tennessee. [Manifestations of laughter in the galleries.]

Mr. LEWIS. Mr. President, I rise to a point of order. I ask the present occupant of the chair to explain to the occupants of the galleries that Senators who are addressing the Senate have a right to have silence in the galleries. I ask that the Chair admonish the occupants of the galleries to maintain silence. The practice does not prevail in this body as in the House of having expressions of approval or disapproval in the galleries. I hope the Chair will admonish

the occupants of the galleries in such manner that they shall understand it.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). The point of order is well taken. The Chair will explain to the occupants of the galleries that they are here as guests of the Senate. In order to carry on the business of the Senate it is necessary that order shall be maintained. It is particularly necessary, when there are so many visitors in the galleries as there are today, that they should observe the rule of the Senate and maintain quiet in order that the business of the Senate may not be interfered with.

Mr. LONG. Mr. President, I do not object to the interruptions of my friend from Tennessee. I am sorry he takes to himself, personally, offense when I read Government reports reflecting on somebody from Tennessee. I hope the Senator will not quarrel with me. I want to be nice to the Senator. I do not want any argument with the Senator.

Mr. McKELLAR. Mr. President, when the Senator admits on the floor of the Senate, as he did sometime ago, that he sent for two dishonest and corrupt men and brought them here to advise him about matters in Tennessee, I am frank to say I do not understand what the Senator is endeavoring to accomplish. When he charges the administration with the wrong of having dismissed a man by the name of Walter F. Simpson, let me state to him that I urged that man dismissed. It was because of facts given by me that he was dismissed. He was dismissed because he was dishonest. I knew he was dishonest, and I urged that he be dismissed. It was not done at the instance of the administration. The administration dismissed him because of the facts which I adduced and upon which I demanded it, and I demanded it because he was dishonest, inefficient, incompetent, and I believe, corrupt; and the Senator from Louisiana, as I understood, was defending him.

Mr. LONG. No; I have not defended him. I do not know the man. I was reading from a Government report in which it was stated that a man named Duncan, who I was informed in Washington had been reinstated in his old job, was reported as being dishonest and corrupt, and in the hands of bad organizations and under political influence. I said, and I was careful to say, that this report might be in error; that I doubted this organization was as corrupt as it was said to be; that I did not believe it.

Mr. McKELLAR. In all kindness to the Senator, if he does not know anything about the facts and is simply reading a report which he thinks might be in error, which he does not know to be correct, but might be erroneous, why in the name of heaven is the Senator willing to rise in this body and read such a report? He does himself the greatest injustice when he undertakes to read reports which reflect on men who ought not to be reflected upon and stands by men that no honest man ought to stand by.

Mr. LONG. I am against all of them.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. LONG. Mr. President, could not I use some of the time of the Senator from Tennessee?

The PRESIDING OFFICER. No. The time of the Senator from Louisiana has expired. The question is on the amendment reported by the committee on page 3, line 16.

Mr. COPELAND. Mr. President, I take this occasion to ask that there be inserted in the RECORD a telegram from a prominent citizen of my State, who feels that the pending Bankhead bill should be passed.

There being no objection, the telegram was ordered to be inserted in the RECORD, as follows:

WARM SPRINGS, GA., April 12, 1935.

HON. R. S. COPELAND,

The Shoreham, Washington, D. C.

I rejoice to learn vote will be taken Monday on Senator BANKHEAD's bill for farm tenant homes corporation. I consider this one of the most constructive and important measures yet proposed. I know conditions fairly well, and am persuaded prompt enactment of the bill will mean greater stability throughout the country. I trust that it may accord with your judgment to use your great influence favorably now.

GEORGE FOSTER PEABODY.

Mr. McNARY. Mr. President, I ask that the pending amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 16, after the word "rehabilitation", it is proposed to insert "or under any power given him by said act."

Mr. KING. Mr. President, may I inquire the purpose of this amendment? Is the amendment tendered by the committee?

Mr. BANKHEAD. Mr. President, I will say to the Senator from Utah that there is an express provision in the work-relief joint resolution authorizing the President to make transfers for the purposes set forth in this bill; and we were afraid the language of the original section of the work-relief joint resolution might not be sufficient. In other words, this amendment simply includes the specific powers given in that joint resolution to transfer funds for this purpose. It conforms to previous legislation on the subject.

Mr. KING. Then, may I inquire of the Senator if it is his understanding that in addition to the funds derived from the sale of bonds, if those funds should be inadequate, the President may take from the \$4,880,000,000 any sum that he pleases and devote it to the execution of the purposes of the pending bill?

Mr. BANKHEAD. Yes; the Senator will find that the original working capital of \$50,000,000 is authorized to be transferred under the provision which we now have under consideration.

Mr. KING. I am familiar with that.

Mr. BAILEY. Mr. President, with the permission of the Senator from Utah, I wish to ask a question of the Senator from Alabama.

Mr. KING. I yield the floor.

Mr. BAILEY. I understand that the Senator's amendment tends to enlarge the powers to transfer money from what we call the \$4,880,000,000 joint resolution.

Mr. BANKHEAD. I do not so regard it, because the work-relief joint resolution authorizes the allocation of money for this specific purpose. This bill really is not properly phrased in that respect.

Mr. BAILEY. That is just the point. The work-relief joint resolution, carrying the appropriation of \$4,880,000,000, provides for precisely the same character of activities as are contemplated by the pending Bankhead bill.

Mr. BANKHEAD. Yes.

Mr. BAILEY. I wish to ask the Senator how much, under the work-relief measure, is available for these purposes?

Mr. BANKHEAD. The Senator is familiar with that matter. There is no specific allocation for farm purposes. There is an allocation in the joint resolution, subject to the other provisions of the joint resolution, as I recall, of \$500,000,000 for rural rehabilitation.

Mr. BAILEY. So we may assume, Mr. President, that already \$500,000,000 are available for precisely the same purposes which are contemplated by the pending legislation. I wish to have this matter placed clearly before the Senate. We are, therefore, in this bill adding a billion dollars to \$500,000,000 heretofore provided. I think that is a fact which all of us ought to consider, and it ought to be clearly established.

Mr. BANKHEAD. Mr. President, it is perfectly clear that with this authority permissive only in the President, the original working capital will come out of the \$500,000,000 allocated for rural rehabilitation. I wanted to clarify this provision simply for the benefit of the Comptroller General's ruling on the subject; that is all. There is a capital of only \$50,000,000 provided to come out of that fund, and, as we know, that is permissive with the President, not directory. There is no enlargement of authority; nothing but language to make it certain and clear that the money may be allocated for this specific purpose.

Mr. BAILEY. Mr. President, I am unwilling to have the pending bill defended on the ground that it is permissive. I

will agree that it is permissive so far as the Senate is concerned, but it is an authorization, and we are responsible for the consequences. I do not think the fact that it is permissive affects its merits at all. We ought to assume that when we authorize the expenditure of a billion dollars it will be expended.

I desire to call the attention of the Senate to the fact that we are not now proposing merely the establishment of a new billion-dollar bank with authority to buy and sell land and stock and chattels and build houses, but we are adding a billion dollars to \$500,000,000 already provided for those purposes. I think that states the fact which stands before us in this proposed legislation.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. VANDENBERG. In addition to the \$500,000,000 which is earmarked in the relief joint resolution, I remind the Senator that there is also a basket clause in that measure which would permit that \$500,000,000 to be extended well beyond a billion dollars if the necessity should so require.

Mr. BAILEY. I understand that to be true. I was considering the \$500,000,000; but in the possibilities of the 20-percent exchange within the \$4,880,000,000 relief act, that sum may be expanded in excess of a billion dollars for precisely the purposes contemplated by the pending bill. In that view, the proposition before us is to add a billion dollars to a billion dollars heretofore authorized, and certain to be expended to a very great extent; I should say to such an extent as may be considered necessary in the premises.

The PRESIDING OFFICER. The question is on the amendment of the committee. [Putting the question.] By the sound the noes appear to have it.

Mr. BANKHEAD. I call for a division.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Radcliffe
Ashurst	Copeland	King	Reynolds
Austin	Costigan	La Follette	Robinson
Bachman	Couzens	Lewis	Russell
Bailey	Cutting	Logan	Schall
Bankhead	Dickinson	Loneragan	Schwollenbach
Barbour	Dieterich	Long	Sheppard
Barkley	Donahey	McGill	Shipstead
Bilbo	Duffy	McKellar	Smith
Black	Fletcher	McNary	Steiner
Bone	Gerry	Metcalf	Thomas, Okla.
Borah	Gibson	Minton	Townsend
Brown	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norris	Van Nuys
Byrnes	Hastings	Nye	Wagner
Caraway	Hatch	Overton	Walsh
Carey	Hayden	Pittman	Wheeler
Clark	Johnson	Pope	White
Connally			

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present. The question is on the amendment of the committee.

Mr. BANKHEAD. Mr. President, we have spent a long time on this amendment. I desire to point out that the amendment does not seek in any way to enlarge the appropriation. I may say to Senators who were not here before that there is an express provision in the work-relief joint resolution authorizing the President to make transfers and assignments for the purpose of aiding tenant farmers and share-croppers in acquiring homes, under regulations to be prescribed by the President.

The bill, before this amendment was offered, authorized the amount necessary to provide the original capital stock to be transferred from the allocation from rural rehabilitation. Doubtless it may be transferred from that fund; but there is a vast difference between what is now commonly known as rural rehabilitation and a new permanent homestead program.

So this amendment does not seek to do anything at all except to clarify the power of the President, and to make it clear, certainly, as to the Comptroller General, that alloca-

tions from that fund for this purpose are authorized and permitted. It is simply a clarifying amendment, as I see it, and nothing more.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee on page 3, line 16. [Putting the question.] The noes seem to have it.

Mr. BANKHEAD. I ask for the yeas and nays. I am offering the amendment for the committee, and I wish to have it adopted.

The yeas and nays were not ordered.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed by the committee, on page 3, line 19, after the word "rehabilitation", to insert the words "or under any power given him by said act."

Mr. KING. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. The amendment which has just been reported by the clerk is a complement to and a part of the amendment just rejected, is it not?

The PRESIDING OFFICER. The Chair has been advised that it is the same amendment.

Mr. KING. So I assume the same action will be taken.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BORAH. Mr. President, may not the amendment be again stated?

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 3, line 19, after the word "rehabilitation", to insert the words "or under any power given him by said act", so as to read:

And the President is further authorized to transfer to the corporation, from the sums so allocated or otherwise made available for rural rehabilitation or under any power given him by said act, such sums as he may from time to time deem desirable to carry out the purposes of this act.

Mr. BLACK. Mr. President, I should like to ask my colleague a question, in order that the Senate may understand the amendment. As I see it, the rejection of the amendment would cripple the bill. Of course, to carry out the desire of those who desire to defeat the bill, no more effective method could be taken. I may misunderstand the situation.

Mr. BANKHEAD. I think the amendment is very important to the bill.

Mr. BLACK. May I ask what is the object of the amendment?

Mr. BANKHEAD. The object is to make it clear that the President is authorized to make transfers from the work-relief fund for the original capital of this corporation.

Mr. BLACK. The corporation to be set up would be limited to lending money to tenants and share-croppers and farmers, and the bill provides for no lending of money to landlords?

Mr. BANKHEAD. That is correct.

Mr. BLACK. The object of the bill is to secure the lending of money to tenant farmers?

Mr. BANKHEAD. Yes.

Mr. KING. Mr. President, if the Senator contends that the rejection of this amendment would cripple the bill, I desire to submit just a few observations. If it would cripple the bill, it would cripple it only to the extent that if the words were eliminated the President might not for the purposes of the pending bill divert from the \$4,880,000,000 fund, which has been authorized, any of the proceeds of that fund, from the objects for which we had in mind the fund was to be used.

When the pending bill was drafted it was not contemplated that there should be diverted any part of the \$4,880,000,000 fund to supplement the grant of money herein provided. The bill stood on its own foundation, an authorization of a billion dollars, fifty million of which was to be immediately subscribed by the President as capital stock, and additional capital was to be provided until a billion dollars of bonds had been issued, and a billion dollars, presumably, secured.

The attempt now is made to incorporate into the pending bill, providing a billion dollars, such part of the \$4,880,000,000 heretofore authorized to be appropriated as the President, under the authority given him to make allocations, may see fit.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. BORAH. If the amendment should be adopted, would there be any limitation on the amount which the President could take from the \$4,880,000,000?

Mr. KING. I see no limitation whatever.

Mr. BORAH. I do not suppose it is the intention of the author of the measure that there should be no limit as to the amount which could be taken.

Mr. BANKHEAD. I stated, probably before the Senator came into the Chamber—

Mr. BORAH. No; I was here while the Senator was speaking.

Mr. BANKHEAD. The only purpose of the amendment is to clarify; it is not to enlarge the original \$50,000,000 capital.

Mr. KING. Mr. President, I have the floor; but I yield to the Senator from Alabama if he desires to reply to the Senator from Idaho.

Mr. BANKHEAD. The bill authorizes a \$50,000,000 working capital, to be transferred from the rehabilitation allocation in the Work Relief Act. My attention was called to the fact that there was specific authority in the work-relief measure for the allocation by the President of money to aid farmers, tenants, and share-croppers to acquire homes, just as is provided in the pending bill. There is authorization in this bill to take the money from the rehabilitation fund; and if the President did not desire to take it from that fund but wanted to take it from some other fund, he might be prevented from doing so. It would not increase the authorization of the amount of money to be expended.

Mr. KING. Mr. President, as I stated a moment ago, when this bill was drafted, apparently there was no thought that resort would be had to the \$4,880,000,000 fund, unless, perhaps, for the \$50,000,000 for the capital stock which was authorized to be subscribed by the President.

The amendment, as I understand it, authorizes the President to take from that fund any amount which he may determine to be proper, so that as I read the bill, we have the authorization for a billion dollars, then there is authorization, if the amendment is adopted, for resort to the \$4,880,000,000 fund for such further sum as the President may deem proper.

Mr. STEIWER. Mr. President, will the Senator yield to me?

Mr. KING. I yield.

Mr. STEIWER. My attention was directed to the language at the beginning of the section, where it is stated:

The Corporation shall have capital stock in the amount of \$50,000,000.

Then it proceeds to provide that the President may subscribe to the stock, and that he may make payments for the subscription from this fund. Am I not right in assuming, therefore, that wherever he obtains the money, the amount to be used in making the payments cannot exceed \$50,000,000?

Mr. KING. I do not quite agree with the Senator.

Mr. ROBINSON. Mr. President, I think there is a further provision, which authorizes an additional amount of capital stock if conditions should require it.

Mr. KING. Up to a billion dollars. I think I am correct in that statement.

Mr. ADAMS. Mr. President, will the Senator from Utah yield to me?

Mr. KING. I yield.

Mr. ADAMS. I call the attention of the Senator from Utah to the fact that in lines 7, 8, and 9, on page 3, the Corporation is authorized to increase its capital without limitation. In other words, with the authority which this amendment would provide, the capital could be increased by

all of the \$4,880,000,000, should the President see fit to do so.

Mr. KING. I am not sure that he could exceed the billion dollars, but certainly what the Senator states now is true, namely, that the capital stock may be increased up to \$1,000,000,000.

Mr. STEIWER. In line 11 we find this language: "Such original capital stock may be subscribed for by the President on behalf of the United States, and payments for such subscriptions may be made from any sums", such as those now under discussion.

Mr. KING. Yes. There may be some qualification by the words "or under any power given him by said act." At any rate, having introduced the bill upon the theory that the Corporation was to be organized with an original capital stock of \$50,000,000, to be subscribed by the President, and with authority to issue capital stock up to a billion dollars, it would seem to me highly improper to resort to the fund of \$4,880,000,000, unless perhaps for the \$50,000,000 for the capital stock, although I disapprove of that. So the relief fund would be diminished, of course, to the extent of the sums which might be taken from it in order to carry out the purposes of the pending bill.

Mr. BORAH. Mr. President, if there is no limitation to the amount which may be drawn from the \$4,880,000,000, I think it a very serious amendment, but the Senator from Alabama contends that it does not enlarge the appropriation at all.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. BYRD. Mr. President, I ask that the amendment be stated.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. On page 3, line 19, it is proposed after the word "rehabilitation" to insert the words "or under any power given him by said act."

Mr. BYRD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BYRD. The occupant of the chair previous to the present occupant of the chair declared a similar amendment defeated.

The VICE PRESIDENT. There was a similar amendment previously rejected. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. BAILEY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 4, after line 6, it is proposed to strike out the following:

The Corporation is authorized to issue bonds in an aggregate amount not to exceed \$1,000,000,000, which may be sold by the Corporation to obtain funds for carrying out the purposes of this act. Such bonds shall be in such forms and denominations, shall mature within such periods from the date of their issue, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices, as may be prescribed by the Corporation, with the approval of the Secretary of the Treasury. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds of the Corporation issued under this subsection, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this subsection.

All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. The bonds issued by the Corporation under this subsection shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes), now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

Mr. BAILEY. Mr. President, I understand I have 10 minutes on the amendment. Is that the rule?

Mr. KING. Mr. President, the Senator has 30 minutes on the bill and 10 minutes on the amendment.

The VICE PRESIDENT. The Senator has 30 minutes on the bill and 10 minutes on the amendment.

Mr. BAILEY. I am speaking, Mr. President, on the amendment. My amendment proposes to strike out the authority now contained in the bill to issue bonds to the amount of a billion dollars. It leaves the mechanics of the bill just as they are. I wish to state to the Senate why I desire to strike out the authority to issue a billion dollars of public debt in addition to the billions we have heretofore authorized.

Mr. KING. Mr. President, I suggest that we should have better order. There is too much noise in the Chamber.

The VICE PRESIDENT. Let there be order. The Chair will once more call the attention of visitors in the galleries that even a slight amount of disorder or conversation in the galleries interferes with the business of the Senate. The occupants of the galleries will kindly refrain from audible conversation.

Mr. BAILEY. Mr. President, the very fact that it is necessary for a Senator to ask for a little order while the Senate considers the appropriation of a billion dollars of money from the exhausted Treasury of the United States is not without a very profound significance. I sometimes think we have reached the point where we will authorize the expenditure of a billion dollars as casually as a Senator would light a 10-cent cigar given him by a generous constituent.

The matter strikes me as of the very utmost importance. We are either going to take thought, Mr. President, of the consequences of our money expenditure, of the burden we place upon our country in the present moment, and the burden which we pass upon those who come after us, or we are going to cast loose from all our moorings and spend and spend and spend until the credit of the Government is questioned by investors everywhere.

There is no necessity for one dollar of the bonds provided in this bill. We already have \$500,000,000 available, and \$500,000,000, Mr. President, is abundantly sufficient for everything in contemplation by the bill or for the ultimate solution of the problem of agricultural tenants.

The solution of the problem is necessarily experimental. We have given the President almost a blank check with respect to this money. He can take such steps as he thinks proper, devise such plans as he conceives to be best, and he has \$500,000,000 in his hands today, if the people of the country or the banks will respond by taking the Treasury bonds, for the purpose of undertaking to bring about a solution of the difficulty presented by this very bill.

It is inconceivable that that sum could be expended between now and next January—and we will be here next January. Why should we assume that this plan of public expenditure will be a success? Why should we not assume that the \$500,000,000 now available is abundantly sufficient to try out every experiment which can be thought of by the President or suggested by the Members of the Senate?

Let us look at the bill and see what it contemplates. It contemplates not only a billion dollars, but a new billion-dollar bank—that is what it is—with land-buying power, land-selling power, and land-leasing power. The United States Government, under this bill, would be committed to add a billion dollars to the \$500,000,000 already authorized, to the \$500,000,000 more that may be available under the act we have heretofore passed, for the purpose of proceeding wholesale and unrestrained, with a scheme for buying, selling, and leasing land.

Senators may meditate upon that for a moment. At a time when we are struggling with the immediate difficulties and problems of a great depression, it is proposed to pile a billion upon a billion—and every billion we pile on is bound to be in the nature of a handicap upon commerce and recovery—for the purpose of buying land throughout the country, and of leasing land or selling land, and—now hear me, Mr. President—without one line of restraint. I say that the bill will authorize the board which is to be created by it to pay \$100 an acre for the land and sell it for a dollar an acre. There are no restraints. The author of the bill did not even take the trouble to require that the land should be appraised when bought, or that when it should be sold that the selling price should correspond even with the purchase price.

Further than that, it is provided that upon a sale the purchaser may have 60 years in which to pay, and that is two generations of time.

But that is not all, Mr. President. This bill provides not only for buying land and selling land, but for house building and house selling.

Mr. GORE. And for furnishing; does it not?

Mr. BAILEY. And for house furnishing. There is no limitation in the bill. If the board desires to build a \$5,000 house it builds it, and no man can call it to account. If it desires to build a \$10,000 house it builds that house and no man can call it in question. And if it decides to spend every dollar of this money in three States, leaving all the others out, the board may do so and there will be no recourse.

That is not all, Mr. President. The bill authorizes also the buying of horses, mules, livestock, farming implements, buying them with the bonds which must be paid in interest and in principal by the sweat of the brow of the working millions of this land, and given out on a 60-year basis, and without any reference to what the property may cost. That is the bill. It is as wide open at both ends as a barrel with both heads knocked out.

More than that, the bill provides for no accounting whatever. We place a billion dollars in the hands of five men, and so far as the representatives of the people are concerned—and the Members of the Senate and of the House are their elected representatives—we kiss the whole proposition good-bye. The last thing we will ever have to do about it will be to confirm three nominations sent to the Senate and that will be the end of it, and they will be able to do what they please.

Mr. GORE. They will have to pay off the bonds later.

Mr. BAILEY. We will not pay them off. Senators will not pay them off; I wish they would have to pay them off. The Members of the House of Representatives will not bear this burden. The Government pays us \$9,500 a year each, and beginning in July—

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. BAILEY. How much time have I occupied?

The PRESIDING OFFICER. The Senator has occupied 10 minutes on the amendment. If the Senator wishes to speak on the bill he may do so.

Mr. BAILEY. I will take my seat if the Presiding Officer will give me a minute on account of the time his predecessor in the chair took by way of informing the Senate on a certain matter.

The PRESIDING OFFICER. The Senator is entitled to take 30 minutes on the bill.

Mr. BAILEY. I wish to save that for other amendments. I will take my seat with just one remark, that if we are going to part with a billion dollars in this fashion we might as well make a clean sweep of it, send for Dr. Townsend, and let him run the Government.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from North Carolina [Mr. BAILEY].

Mr. BYRD. Mr. President, I move that the pending bill be committed or referred to the Committee on Banking and Currency.

The PRESIDING OFFICER. The question is on the motion of the Senator from Virginia to refer the bill to the Committee on Banking and Currency.

Mr. BYRD. Mr. President, in the limited period I have served as a Member of the Senate I do not believe that there has been presented to this body any legislation of such importance so loosely and crudely drawn as is the pending measure. I say this with all respect to the Senator from Alabama [Mr. BANKHEAD], its author. The distinguished Senator from North Carolina [Mr. BAILEY] has demonstrated in language much better than is within my power some of the loose provisions; but not only has this bill been very crudely drawn but there is actual contradiction in one clause as compared to another.

If the United States Government is going to engage in the wholesale buying of land throughout the Nation, a very important question arises as to the taxation of real estate and personal property which is now paid to the localities and to the States, because, under the methods of taxation in use in practically every State in this Union, the localities, the counties, and the subdivisions of counties, collect their taxes mainly from real estate and tangible personal property. I call attention to the provision of the bill at the top of page 6, which reads:

The corporation, including its franchise, its capital, reserves, and surplus, its loans and income, and its real and personal property, shall likewise be exempt from such taxation.

Then, Mr. President, to show the scant attention that was given to the preparation of this important bill, I call attention to clause (b), at the top of page 12, which provides:

(b) Nothing in this act shall be construed to exempt any real property acquired and held by the corporation, or held by any purchasers from the corporation, from taxation by any State or political subdivision thereof to the same extent, according to its value, as other real property is taxed.

Mr. President, it is proposed by this measure to establish another great bank in this country, a bank which, in my opinion—and I confidently make the prediction—will rival the Federal farm land bank and the Home Owners' Loan Corporation. It seems to me that before the Federal Government shall embark upon this important departure the Banking and Currency Committee, with the information and experience of the members of that committee, should at least pass upon the provisions of the bill, which proposes to establish, as I have said, another great bank to be financed by Government money.

I wish to call the attention of the Senate to the fact that this \$1,000,000,000 appropriation or the guaranty of bonds in that amount—and, under the terms of the bill, I am confident that practically the entire sum will ultimately be paid by the United States Government—is only a beginning for great additional appropriations to follow.

The Senator from Alabama in response to a question propounded by me on Friday of last week, stated that there were 3,000,000 deserving tenant farmers in this country. Now it is proposed, as I understand, to expend an average of \$5,000 in order to set up in business each of these tenant farmers. At that calculation the pending appropriation will provide for only 200,000 tenant farmers. I wish to ask the Members of the Senate, are not those who will not secure benefits under this \$1,000,000,000 appropriation, as a matter of justice, entitled to have additional appropriations made by the Government in order that they, too, may receive similar benefits?

Mr. ADAMS. Mr. President—

Mr. BYRD. I yield to the Senator from Colorado.

Mr. ADAMS. I call the attention of the Senator from Virginia to the fact that the loan provisions of the bill are not limited to tenant farmers and corporations, but include—and I think perhaps properly so—farm laborers, and we do not have a tabulation of the number of farm laborers before us.

Mr. BYRD. I was coming to that, because I think that there are many farm laborers in this country who are just as much entitled to the benefit of the provisions of this bill as are farm tenants. Let us assume, for the sake of the argument, that the statement made by the Senator from

Alabama is correct and that there are 3,000,000 deserving tenant farmers in this country. At the rate of \$5,000 for each farmers—

Mr. BANKHEAD. Mr. President, I am sure the Senator does not want to misrepresent what I said. I said there were 3,000,000 tenant farmers, but the whole matter was one of selection. I never said that 3,000,000 were entitled to benefits under this program.

Mr. BYRD. The Senator has stated in the RECORD—he stated it on Friday—that there were 3,000,000 deserving farm tenants in this country.

Mr. BANKHEAD. I challenge that statement, if the Senator wants to repeat it, and ask him to find it in the RECORD.

Mr. BYRD. I will stand on the RECORD.

Mr. BANKHEAD. Very well, but I imagine the Senator will withdraw his statement when he shall have examined the RECORD and find he has not made a correct statement.

Mr. BYRD. I will certainly withdraw the statement if the Senator from Alabama is correct; but he stated, as I understood him, that there were 3,000,000 deserving tenant farmers in this country who, under one condition or another, may be entitled to the advantages to be obtained under the bill.

However, Mr. President, it is not so much a question as to exactly the number of farmers who will be eligible to obtain the benefits of this bill. We all know that the number will be very large; but the question is—and that is what I want the Senate to understand—that if we embark upon this new adventure it will mean an appropriation of \$1,000,000,000 at the beginning, with many additional billions of dollars to follow.

Mr. President, the Senator from North Carolina has called attention to what it will be possible to do under this bill. I read from the bill itself:

(3) To establish, make loans for, and to assist in the establishment of small individual farms and farm homes, together with the necessary buildings and other structures, livestock, equipment, implements and machinery, furnishings, supplies, and facilities.

What can "facilities" mean? The use of that word gives the broadest possible opportunity to the board to be created to do anything they may desire to do.

Furthermore, I wish to call the attention of the Senate to the fact that the board may require one purchaser to pay 10 percent in cash; they may permit another purchaser to pay nothing in cash, and they may allow 60 years for the payment of whatever sum may be due. In addition to that, in my judgment, they may remit the interest to be paid certainly for a part of that time if they see fit so to do.

Mr. President, upon my responsibility as a Member of the Senate I say that if this bill shall be passed it will not be for the benefit so much of the tenant farmers of the South as it will be for the benefit of the large landowners and farm corporations and those who have mortgages on their lands throughout the South and other sections of the country, because owners will sell their land to the Federal Government and obtain the cash for their land, and those who have mortgages on land will receive the cash when otherwise, perhaps, the mortgages would be of no value.

Mr. President, I do not desire to take up any more time of the Senate, but again I wish to submit to my fellow Senators that if we are going to start another big bank we should let the Banking and Currency Committee pass upon the details of the bill. That committee reported the Federal land bank bill; it reported the Home Owners' Loan Corporation bill; any why should we deny the Senate the benefit of the knowledge and experience of the members of that committee in dealing with a subject with which they are all familiar?

Therefore, Mr. President, I have made the motion to commit or refer the bill to the Committee on Banking and Currency.

Mr. ROBINSON. Mr. President, it was not my privilege to hear all the argument submitted by the Senator from Virginia on his motion to refer the bill to the Committee on

Banking and Currency. Necessarily one must be out of the Chamber sometimes, and I was indulging in the luxury of a light luncheon when I learned the Senator from Virginia had made the motion to refer the bill to the Committee on Banking and Currency. It is my thought and belief that the bill should not be so referred.

It has been said during the course of the debate that the measure is for the benefit of landowners. Certainly if the measure should be placed in operation it would result in the purchase and sale of some lands. The corporation could not function unless that were true. However, I do not believe there is anything in the language of the bill or in the principle which runs through it that warrants the conclusion asserted by the Senator from Virginia, namely, that it is for the benefit of landowners.

On a previous day since the bill came before the Senate for consideration I took occasion to point out some of the conditions which, in my judgment, make necessary the passage of the proposed legislation. In more than one State, according to the statistics which are supplied, there are 68 percent of the farmers who are tenants and share-croppers. The process of passing farm cultivation in this country into the control of persons who do not own the farms has been growing, as was said on another occasion by the Senator from North Carolina [Mr. BAILEY], ever since the Civil War. It has grown more rapidly during the last few years than during any other period with which I have been made familiar.

The pending legislation is, of course, subject to criticism and to amendment. The purpose of the legislation is to check farm tenantry in the United States and to encourage small-farm ownership. If the Senator from Virginia does not believe in that purpose; if he thinks, as is said by some writers on the subject, that the tenant system is the best that has been discovered; if he wishes to see the process carried on until the farmers of the United States consist almost entirely of tenants and share-croppers, he would be opposed to the pending legislation and would vote for some of the amendments which have been offered to it, and which, in my judgment, are intended to defeat the legislation; that is, if the amendments should prevail, they would have that effect.

It has been said—and I believe by the Senator from Virginia—that the bill really should go to the Committee on Banking and Currency. I do not agree to that suggestion. It is not banking legislation in the true sense of the term. It is farm legislation. It pertains to agriculture. The committee which considered and reported the bill was the appropriate committee; the committee which has jurisdiction of the subject matter.

Mr. BYRD. Mr. President—

The PRESIDING OFFICER (Mr. BURKE in the chair). Does the Senator from Arkansas yield to the Senator from Virginia?

Mr. ROBINSON. I yield.

Mr. BYRD. Is it not likewise true that the Federal land bank relates to agriculture, and was not that legislation referred to the Banking and Currency Committee?

Mr. ROBINSON. Yes; that was a bank, so-called, or an organization which has many aspects of a bank. I was about to point out, when the Senator from Virginia interrupted me, that frequently we are called on in both houses of Congress to consider legislation as to which there is in a sense an overlapping of jurisdiction. Admittedly this measure could have been considered by almost any committee to which the Senate saw fit to refer it. If we had referred it to the Committee on Banking and Currency, that committee would have taken jurisdiction or might have taken jurisdiction and reported it. But the point I am making is that the fact that the Committee on Agriculture and Forestry actually received the bill and reported it is not any justification for committing or referring the bill to another committee.

Mr. BYRD. Mr. President—

Mr. ROBINSON. I yield to the Senator from Virginia.

Mr. BYRD. The Senator has had much more experience than I have in these matters, but does he recall any legislation which established a bank, as, of course, this bill does,

that has ever been presented to this body except with the approval of the Committee on Banking and Currency?

Mr. ROBINSON. I do not think this measure establishes a bank any more than or quite so much as the Reconstruction Finance Corporation Act established a bank. The corporation proposed to be established by this measure would not receive deposits, and that of course is the test of a commercial bank. It would buy and sell real estate and take mortgages.

Mr. BYRD. May I ask the Senator another question, and then I shall not interrupt him again?

Mr. ROBINSON. I yield.

Mr. BYRD. The Senator suggests it is not a bank because it would not receive deposits. The Federal land bank does not receive deposits, and yet everyone recognizes it as a bank.

Mr. ROBINSON. No; it has not that characteristic; but the Federal land bank has other characteristics which are usually found in banking institutions and which this proposed corporation would not have.

Mr. BLACK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Alabama?

Mr. ROBINSON. I yield.

Mr. BLACK. Even if the bill does provide for a bank, it does not provide for a bank any more than it did when it was referred to the Committee on Agriculture and Forestry without objection, does it? Nor does it provide for a bank any more than it did when it was reported by the Committee on Agriculture and Forestry without objection.

Mr. ROBINSON. I do not think it provides for a bank in any proper sense of the term "bank."

Mr. BLACK. I agree with the Senator.

Mr. ROBINSON. I rest my argument on that conclusion. I know that when a Senator introduces a bill usually he determines the committee to which it shall be referred, and the Senate under normal conditions has little opportunity to pass judgment on the question of which committee shall have jurisdiction.

Mr. BLACK. They would have ample opportunity before the bill is brought up and before numerous amendments have been offered if they really wanted to object to it on that ground, would they not?

Mr. ROBINSON. Certainly. The jurisdiction of this bill more properly lies in the Committee on Agriculture and Forestry than in any other committee of the Senate. Concededly it might have been referred to another committee. The Committee on Agriculture and Forestry having considered it and acted, I do not believe the bill should be committed or referred to another committee.

Mr. LONG. Mr. President, if I thought there was any chance at all that the provisions of the bill would be reasonably or honestly administered, I would help to pass it. I do not mean that I would require a preponderance of proof that it would be honestly administered. I mean if I thought there was any chance at all that the provisions of the bill would be honestly administered, I would support it. I have not any belief at all that it would be in any respect or in any degree whatever honestly administered in my State.

I have only one light to guide my feet, and that is the lamp of experience. There has not been one single thing administered in my State, which has been examined, to my way of remembering, that the head of the Department has not himself admitted to be crooked, rampant, and rotten to the core. I start with the home-loan bank and Home Owners' Loan Corporation. The record was not quoted by Mr. John Fahey when he was before the Committee on Finance that he knew to be true, or at least he was not prepared to dispute that it showed rampant fraud and rottenness from top to bottom in the Home Owners' Loan Corporation, but he was not allowed, even if he desired, to make any changes in it. It has continued under the same magnificent management with no pretense of honesty, but with admitted fraud, with flaunted corruption, that institution has continued to operate, and I want to show how low they have descended. I want to show you just how low, publicly, out-

wardly, a board of this Government can be. Why, it is against the principles of that Board to make any pretense of honesty. They would be dismissed for lack of efficiency if they were honest. Even though they were appointed by themselves, even though they were sent into a State by Federal appointment from New York to Louisiana, from California to Alabama, if there were proof of honesty they would be dismissed.

I need go no further than my own State, the examples I have already cited, to show that wherever there is any degree of honesty the board will be dismissed.

If anyone would like proof of that matter, if you will appoint a committee to investigate it, I shall be glad to ask that you single out any board on earth that has operated in my State that is allegedly half honest, and I will go into the proof immediately that according to its own records it will not pretend to be honest.

This crookedness and this rottenness and this fraud is going to descend to where it is going to undermine the characters of men. It has gotten down to the point that a man dealing with institutions must get on a crooked basis in order to get anything. He realizes that he must deal with crooks according to crooked rules.

Down in my little State—and we are a happy people down there; we are a happy, contented people—down in my State we had a Home Owners' Loan Corporation. They put in charge of the Home Owners' Loan Corporation a set of men who do not deny, who cannot deny, and who will not even undertake to say now—there have been two investigations, and neither of them will say to the contrary from the floor of this body, I think—that they took the Home Owners' Loan money when they loaned a man a thousand dollars, and swindled him out of anywhere from \$400 up to \$750 of that money. They would take a loan of a thousand or two thousand dollars, and they would run that loan through a home-steed, and back through a broker, and then to a stock purchaser, and they would wind up with that man borrowing a thousand dollars and signing the note for a thousand dollars and signing a check giving \$700 of it over to somebody who stood in with the clique that had made the selection to run the Home Owners' Loan Corporation. Now, they have got worse than that. They make no pretenses; they make no answers; and if there were any chance at all that this act were going to be honestly administered, I should vote for it and take the chance. In other words, if I had the lottery chance of drawing 1 out of 76,000 of an honest administration, I should be inclined to do it. The higher it gets, however, the less chance there is.

Here is the proof. I have here a letter from the Home Owners' Loan Corporation down in New Orleans, La. I will read you their letter:

MARCH 26, 1935.

MRS. ZELDA SCARBORO,
1452 Magazine Street, New Orleans, La.

DEAR MRS. SCARBORO: At the time of your visit to this office today you stated you had obtained State moratorium relief, and that this State moratorium had the approval of the State deputy, Mr. Christenberry, effective for 1 year. In view of the fact that you obtained this moratorium relief, and the fact that you showed us receipts of payments made to moratorium department, we are obliged to rule that your application with this Corporation is ineligible.

We are sending a copy of this letter to your mortgagee, Greater New Orleans Homestead, and are placing your file in the suspended category.

This is signed by C. J. Butterfuss, review clerk. I guess the name indicates that there is always a fuss where there is any butter left in the country. [Laughter.] I do not know what the name means.

I went back and got a letter on the subject, and here is the state of facts: They seized a widow's home to sell it, and she went to the Home Owners' Loan Corporation and asked them for a loan, so that she might pay off this debt for which her home was at that time under a seizure; but they dillydallied with the loan so long—she was not on the inside of the second-story working situation down there, Mr. President; she could not get enough money so that she could give from 40 to 50 to 70 cents on the dollar to some pigeon-hole sky-rocketer to make the loan, because she could not pay off the

debt—so, therefore, they dillydallied with that poor little old widow's loan until the sheriff was going to sell her home. So she ran up to the debt-moratorium relief agency of the State banking department, and she asked them to suspend the collection under that fieri facias administration of the sheriff, so that she could get the loan. They gave her a suspension so that she might get the loan; and what did they rule? They told her that applicants for moratoriums are ineligible for loans, for the reason that "If we grant one, it is proof that the applicant is not able to pay; and if we do not grant one, the applicant does not need the loan and is not in distress."

Is not that a nice situation for you, gentlemen of the Senate? Here it is in writing that if they grant an application, the applicant is not in distress; and if they do not grant the application for moratorium relief, that is proof that the applicant is not in distress. Therefore, this bunch of self-confessed riggers, who are taking all the way from 40 to as high as 80 cents on every dollar, and do not deny it—that kind of crooks and thieves are to be given another billion dollars. God save the State from the crooks and the thugs and the thieves having another billion dollars down there! If there were any chance whatever that one scintilla of honesty would be permitted from this squandering, debauched sect—

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. LONG. I am very sorry it has.

The PRESIDING OFFICER. The question is on the motion of the Senator from Virginia [Mr. BYRD].

Mr. NORRIS. Mr. President, I think any student of government giving attention to the present economic situation of the country must be alarmed at the fact which is undisputed, shown by statistics, that in round numbers, taking our country as a whole, one-half of the farm lands of the country are cultivated by tenants. To my mind, when we look further and see that the percentage of tenancy has been increasing for 50 years, we should be all the more alarmed at the condition.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Virginia.

Mr. BYRD. The Senator has just stated that one-half the farm lands of the country are operated by tenant farmers. Has he any figures as to the number of tenant farmers and the total number of farmers in the country?

Mr. NORRIS. Yes; I think they are all in the RECORD. I have not now the figures before me, but they have been referred to several times. I myself have examined them. I do not think there is any dispute about the matter. I think it is agreed that the percentage of tenant farmers has been rapidly increasing for 50 years.

Mr. SMITH. Mr. President—

Mr. NORRIS. I yield to the Senator from South Carolina.

Mr. SMITH. May I ask the Senator if the statistics which he is now quoting include what are called share-croppers, operating under a system which prevails throughout my section, and renters, and what are known as "contract" or "day laborers"?

I desire to call the Senator's attention—and in my own time I wish to make some further remarks on the bill—to the fact that throughout the section which I in part represent, those who own the farms, the landlords themselves, work a part of them with what is known as "contract labor." A majority of those workers in the past 15 or 20 years have refused to work at what is known as "contract labor", but they demand to be share-croppers, getting a share of the crop for their wages. Then there is a diminishing number of what are known as "renters"; but in the statistics which are given to the public, the contract hand, the share-cropper, and the renter are all known as "tenants." I dare say that if we should compute throughout the Cotton Belt the percentage of share-croppers in relation to the landlords, it would be found to be two or three to one. I said the other day, and I now repeat, that there are those who own small tracts of land who would prefer to share-crop on some landlord—

Mr. NORRIS. Mr. President, I hope the Senator will recognize the fact that my time is limited.

Mr. SMITH. Oh! I had forgotten about that. What I have said in enlightening the Senator can be deducted from my time, because I know he desires to know the facts in the district which I in part represent.

Mr. NORRIS. I will yield the floor and let the Senator from South Carolina continue, and then I will take it afterward.

Mr. SMITH. No; I want every minute of my time.

Mr. NORRIS. I do not know whether I have any time left. I hope Senators will remember that we are now laboring under a unanimous-consent agreement; and, while I welcome interruptions, I hope Senators will not take my time.

Mr. SMITH. No; I will give that much out of my time so the Senator from Nebraska will not lose any of his time.

Mr. NORRIS. Mr. President, I have before me some of the hearings on this bill. On page 72 of the hearings it is shown by the statistics that in the United States there are 6,288,648 farms, of which 2,604,305 are operated by tenants. All tenants in the United States are 42.4 percent of the whole. Of that number 31.1 percent are white tenants and 11.3 percent are colored tenants. I think those figures practically bear out my statement. I have a map before me which shows that 47 percent of the farms in the State of Nebraska, for instance, are operated by tenants. I also have a statement, to which I referred the other day, showing the number of tenants in Nebraska in other years. In 1880, 18 percent of the farms were cultivated by tenants. The proportion gradually increased, until in 1930, 47 percent of the farms in my State were operated by tenant farmers.

Mr. President, I think that is an alarming condition. The ideal condition in every country such as ours, dependent, in the main, on agriculture, would be a condition where all the farms of the country were tilled and operated by the men who owned them and lived on them as homes. We cannot expect to reach the ideal, but as we approach the other extreme we find a most deplorable condition, if all the farms are to be tilled by men who do not own them. It is unnecessary to comment on the terrible blow to civilization such a condition would present. I am alarmed at the rapid increase in the last 50 years in the operation of farms by tenants. An examination of the records shows that more and more our farms are being tilled by men who are tenants, and are owned by people who are not farmers or who do not live upon the land.

Mr. President, the pending bill has for its object changing that condition. Its primary object is to enable tenant farmers and others who are not on farms to become owners of farms. We ought to encourage such legislation.

It is said that in the management of the corporation there could be a great deal of corruption; that much of evil could creep in. I concede that. I do not think anything is made in an argument by denying what seems to be palpably true. I have said before on the floor of the Senate that the success of the bill, if it shall become a law, will depend more upon its administration than upon anything else. It can be made an abject failure, or, in my judgment, it can be made one of the greatest successes it is possible to imagine.

If we can stop the tendency toward tenant farming and have our land cultivated by men who own the farms and live on them, we will have better farms, we will have better production, we will have better homes, we will have a better civilization all through. It would be a terrible condition if our land were all tilled by tenants.

When we come to the question of limiting the number of acres, referred to the other day, it seems to me such a thing would be impracticable. What would be a good-sized farm in New Jersey would not be a good-sized farm in Iowa, or Montana, or Nebraska, or Kansas. We have to depend upon the administrators of the law. If we shall enact this measure, we will have to place our confidence in them. They can make it a great success or a dismal failure. It seems to me the only theory upon which we can legislate is the theory that our laws are to be honestly, fairly, and economically

administered. That is the only theory upon which one can favor this kind of legislation.

The PRESIDING OFFICER. The time of the Senator from Nebraska on the motion has expired.

Mr. NORRIS. I shall speak now on the bill.

The PRESIDING OFFICER. The Senator has 30 minutes on the bill.

Mr. NORRIS. I understand a motion is pending to refer or commit the bill. Should this bill have gone to the Committee on Banking and Currency, to the Committee on Interstate Commerce, or to the Committee on Agriculture and Forestry? I concede it might have gone to any one of several committees, such as the Committee on Banking and Currency, perhaps, or one of several others. I believe some reason could be advanced for referring it to the Committee on Commerce, because if the law should be successful, it would greatly increase commerce. However, the most appropriate committee of the Senate, in my judgment, to take charge of a bill like this is the Committee on Agriculture and Forestry, which deals with the abstract things about which we are legislating, namely, farms, land, homes in the country—not homes in the city but farm homes. Where could we find a committee more appropriate for the consideration of such legislation than the Committee on Agriculture and Forestry?

It therefore seems unreasonable to ask that some other committee consider the measure or that the Committee on Agriculture and Forestry consider it again. After all is said and done, the whole thing can be stated in a nutshell, it seems to me. We are confronted with the fact that the farms of our country are gradually being driven into the hands of absentee landlords. Is that a good thing, or is it a bad thing? If it is a good thing, then this bill should be defeated. If it is a bad thing, as I think every man must admit, then some legislation of this kind ought to be enacted.

If there is a better way to handle the matter, I should be glad to support the appropriate measure. If any improvement can be made in the bill I shall be glad to support the proper amendment. But it seems to me that at least we should put the proposed law into operation and see how it will work. It will be a new law. We will find, perhaps, after it has been on the statute books a while, that we ought to change it here or there. That is generally the experience with all legislation of this kind. This is the first step. It is a step in the right direction. It seems to me we ought not to hesitate to take it. Eventually some such step must be taken in this country if we are to sustain and uphold that great portion of our population which comes from the farm and the farm homes.

There is a great deal of difference between a farm being operated by its owner, where he lives and has his home, and one being operated by a tenant, who has no interest whatever in the upbuilding of the farm or the preservation of the natural things which always go with a farm.

It seems to me, therefore, that we can well afford to take this step. In a way it is an experiment, I concede. As I look at it we must perform some experiments, and we never can get a system that will suit every one of us. We will never get one that will be administered with perfection. There will be fraud here and there. I think it is impossible to avoid it. But our aim is toward an ideal, and when we find that it ought to be changed in this particular or that particular we should not hesitate to amend the law. It may be that some of the necessary amendments can now be proposed and added to the bill. It must be conceded, however, it seems to me, that those who are behind the proposed legislation are moved by the very best of motives; and if they attain their object they will greatly assist in producing permanent prosperity in our country, something which has not heretofore existed.

It has been stated as an objection that this is a bill to enable men who own large tracts of land to sell it. Of course, land will have to be sold. There may be fraud somewhere in the operation of the law along those lines. I do not see how that can be avoided. The proposed law could

not operate if we could not buy land in order to provide homes for the people we are to put on the land.

If men now own large tracts of land which is unprofitable, and they want to get rid of it, is not the present a good time to start with the experiment? That is just the kind of situation of which we ought to take advantage. If the owners of large tracts of land have been unsuccessful financially in operating the land, and desire to sell, this is the time when we ought to buy. If there is the right kind of administration, the law could be operated with much less money than if we tried to take the land by condemnation. No man could be compelled to sell his land. If a man wants to sell, we shall have to buy, if we carry out the provisions of the proposed law. So instead of being an argument against the bill, it seems to me to be one in favor of it, as it all works harmoniously together, if properly administered, for the benefit of all.

Mr. BORAH. Mr. President, I have no desire to take this bill away from the Committee on Agriculture and Forestry. I agree with the Senator from Nebraska that the Committee on Agriculture and Forestry ought to deal with the measure. I do feel, however, that the bill ought to go back to the Committee on Agriculture and Forestry. I am satisfied that there are provisions which ought to be incorporated in it, so as to put some limitation, some check, some supervisory power over those who are to expend this money.

This is a measure which will naturally lead, unless great caution shall be exercised, to looseness of expenditure of money, and possibly to favoritism. Those possibilities must be carefully guarded against in the bill itself; and even at the best we shall not be able, perhaps, to avoid everything we should like to avoid.

However, Mr. President, I have no desire to send the bill to the Committee on Banking and Currency. I do not think it belongs there. Possibly there are some features of the bill which might be dealt with by the Committee on Banking and Currency, but it is a measure which really belongs to the Committee on Agriculture and Forestry. However, if a motion is made to send the bill back to the committee for further consideration I shall vote for that motion, not in enmity to the principle involved, but with the desire to see that the measure is more carefully worked out.

Mr. BYRD. Mr. President, with deference to the Senator from Idaho, I withdraw my motion to refer the bill to the Committee on Banking and Currency, and move to recommit the bill to the Committee on Agriculture and Forestry.

Mr. BORAH. Mr. President, is there a motion to recommit?

Mr. BYRD. Yes.

Mr. BORAH. Does it specify any particular committee?

Mr. BYRD. I first moved to refer the bill to the Committee on Banking and Currency. I now withdraw that motion and move to recommit the bill to the Committee on Agriculture and Forestry.

Mr. BANKHEAD. Mr. President, I submit to the Senate that the proposal to recommit the bill is intended to kill it. I do not mean that the Senator from Idaho [Mr. BORAH] is engaged in that kind of effort. I know he is not; but the program originated with and was sponsored and is being pressed by those who do not want any revised bill, who do not want any reconstructed bill, but who are opposed to a bill along this line.

Mr. President, this bill has been under consideration by the Senate for practically a week. Many speeches have been made upon it. A number of amendments are pending to it which, in my judgment, are helpful and constructive. Those amendments are yet to be acted on. One of the amendments puts limitations upon the amount to be expended. There are other really helpful amendments. After having directed our thoughts and attention to the bill for almost a week, having these questions fresh in our minds, and being almost ready to deal with each amendment which has been proposed at the end of a week not only by those who wanted to be constructively helpful but by those who want to destroy the bill, and who have introduced amend-

ments which, if adopted, will destroy it, we have the whole program before us.

Why send the bill back at this time simply, forsooth, to write into it in the committee room certain amendments which are pending here in print upon the desks of Senators and a majority of which probably will be accepted without opposition? Why recommit it to the committee simply because there may be one or two amendments which seek to destroy the bill and which will not be incorporated in it by any committee friendly to the bill?

If the majority of the Senate are in accord with this humane and progressive program, if the majority of the Senate are willing to embark upon this new homestead venture, then I submit, Mr. President, that the thing for us to do is to proceed to final action now upon the bill. Suppose it is recommitted, as those who are opposed to the principle of the bill desire, and then there should develop a legislative jam growing out of the pressure of the N. R. A. bill, the social-security bill, the bonus bill, and other controversial measures of that sort which will require day after day and week after week of the time of the Senate. In that event, in view of the opposition which has already developed here against this measure, what chance would there be to have it again considered by the Senate?

We now have the time necessary for the consideration of the bill. We have spent a week in considering its various phases. I appeal to Senators who are friendly to this program and do not want to defeat it to vote down the motion to recommit. We know its purpose. We know its effect. We know that it means killing this bill in an indirect way instead of doing it openly and manfully, if a majority of the Senate wish to kill it.

So I appeal to those who wish to have orderly consideration of this measure upon its merits to vote against the motion to recommit.

If Senators vote to adopt the motion made by the Senator from Virginia [Mr. BYRD], an ardent opponent of this whole program, we may as well say good-bye to the bill and tell the great mass of people who are looking to the future with increased hope since the word has gone out that this measure may pass to forget it, to make their arrangements from year to year in the future as they have in the past, to be gypsies roaming here and there and hunting year by year a place to hang their hats.

Mr. President, that is all I care to say about this motion. Senators are voting now either to proceed to final action upon the bill or to kill the bill; and every intelligent man here who knows what is behind this program can well realize that situation.

Mr. BYRD. Mr. President, I ask for the yeas and nays on my motion.

Mr. SMITH. Mr. President, before the vote is taken, as chairman of the committee from which this bill came, I desire to make a statement.

Since the bill has come to the floor, no one can deny that there has been voiced against it opposition based upon very pertinent and compelling reason and fact.

The system of landlordism and so-called "tenantry" comprises, as I have indicated before, three major divisions, the share-croppers, the landlords, and the contract laborers. I frankly admit that I have not had an opportunity to study this bill textually and understand thoroughly the purport of its different terms and provisions. In the section from which I come the relationship of landlord and tenant is not an arbitrary one. It has grown up under conditions where the landlord and the tenant were about equally financially, with the one difference that unfortunately the landlord owned the land, had to provide and keep the houses and all the implements in order, and pay the taxes, while the tenant himself had no such burden. No thrifty, saving, provident individual has ever lacked the opportunity of owning his own farm, until conditions came to such a pass that I feel I can challenge any man on the floor of the Senate who owns farm land to deny that farm lands in the past 20 years have been a liability rather than an asset.

Increased tenantry and the distress of the farmer did not come by virtue of landlordism. The landlords themselves are being dispossessed every day because there is no return from the land with which to pay their taxes, educate their children, and obtain the common necessities, not to say the luxuries, of life. Eighty-five percent of all the farms of America are under mortgage. Taking advantage of that condition a "goat" has been found, and it is said the landlord is the oppressor. Therefore, the Government will step in and give to those who, by the sifting process and the test of time, have perhaps not measured up to their full opportunities, the use of a billion dollars for 60 years. I will read a paragraph from the bill, but before doing so, let me say to my colleagues on the committee and other Members of the Senate that I am going to vote to recommit the bill, not for the purpose of destroying it but in order to assure that whatever advantage may be proper will be afforded to those who are entitled to it.

Mr. LONG. Mr. President, will the Senator from South Carolina yield?

Mr. SMITH. I yield.

Mr. LONG. How much of this is going to be left to the discretion of those who are to be appointed to administer the proposed legislation?

Mr. SMITH. It is all going to be left to their discretion.

Mr. LONG. Then, God save us from having anything to do with it!

Mr. SMITH. Mr. President, let me read one paragraph from page 9 of the bill. Subsection (c) there provides:

(c) The Corporation may provide for such amortization periods for the repayment of indebtedness owed to it, and may postpone the date when the initial installment shall be due, as it may deem advisable, but in no event shall the amortization period exceed 60 years.

Now I want to read further from the bill. Just listen to this. Amongst the powers granted to this Corporation, to this Board, it is provided on page 8, section 4:

(3) To establish, make loans for, and to assist in the establishment of small individual farms and farm homes, together with the necessary buildings and other structures, livestock, equipment, implements and machinery, furnishings, supplies, and facilities.

And such loans may run for 60 years.

Now, is it perfectly fair that those who, by the test of time, are in the class of tenants, share-croppers, and contract laborers shall be granted this largess from the Government with the implication that the landlords have been responsible?

Mr. President, the philosophy of this bill in reference to the farmer is like the story of Pat who was riding an old horse that was so thin that every time he took a step he reeled. Someone said, "Pat, why, in the name of the God of mercy, do you not put more flesh on that horse's bones?" "Hell," said Pat, "he can hardly walk with what he has got; what will he do with any more?" [Laughter.]

Mr. President, it is time for us now to legislate in the light of the facts before us. The Senator from Nebraska [Mr. NORRIS] read a list showing the percentage of farm tenants in this country, and he made use of the expression that the landlord, the man who owned the land, should be the one to cultivate it. By the same token the man who owns a factory should be made to run it and all the machinery in it. Why make fish of one and fowl of another? Why invoke the impossible in the case of the farmer, when it is likewise impossible in the case of the industrial plant?

The idea has gone forth that the number of tenants is increasing. Yes, we have tenants right now under the Federal land banks. I know men who are renting from the banks the farms they owned, but which they lost under mortgage to those banks. If we are going to do something constructive here, in the name of reason and common sense, let us get together and make farming profitable. Then we will solve the tenant problem and we will put an end to the weeping and wailing for the laborer and the tenant. Let us make farming profitable. As I said here the other day, \$2.50 is paid for a shirt that contains 5 ounces of the simplest kind of white goods. As a result of the manufactur-

ing process, 5 ounces of cotton made into a shirt brings \$2.50, while the raw material out of which the shirt is made brings 8 cents a pound. The very material for which he received 8 cents for producing is sold at the rate of \$7.50 a pound in a form to go on the farmer's back. Under the magic touch of the loom in a short time the shirt is manufactured, whereas 12 hours a day and 12 months on the farm are required to make a pound of cotton. The fault does not lie here. It lies in the maladjustment of our financial and economic system.

The PRESIDENT pro tempore. The time of the Senator from South Carolina on the motion to recommit has expired.

Mr. SMITH. Mr. President, let me say, in conclusion, that I am going to vote to recommit this bill, not for the purpose of killing it, but for the purpose of affording every member of the Committee on Agriculture and Forestry an opportunity to study the bill and to bring back something which will be helpful to the agricultural interests and not be a gift to a certain class.

Mr. BAILEY. Mr. President, I wish to respond briefly to the Senator from Arkansas [Mr. ROBINSON]. There was some suggestion—I do not know how far it went—that since the purpose of the bill, as declared on its face, was to arrest and, perhaps, to cure the evil of increasing farm tenancy, those of us who should not support the bill might be considered as not in sympathy with that purpose. I wish to say that I am thoroughly in sympathy with any sound measure, and I will go as far as will anyone else to correct the evils attendant upon the growth of farm tenancy; I should like to see a situation in which every man dwelt under his own vine and fig tree; but, Mr. President, my position in this matter is based on a very simple fact, which is this: We have already provided \$500,000,000 to arrest and, so far as we can, to cure the evils of farm tenancy. In order to make that clear, I am going to read from page 3 of the joint resolution making appropriations for relief purposes known as the "relief-works measure" carrying \$4,880,000,000. This is the language:

Funds made available by this joint resolution may be used, in the discretion of the President—

And the pending legislation also submits the matter to the discretion of the President—

for the purpose of making loans to finance, in whole or in part, the purchase of farm lands and necessary equipment by farmers, farm tenants, croppers, or farm laborers. Such loans shall be made on such terms as the President shall prescribe and shall be repaid in equal annual installments, or in such other manner as the President may determine.

Mr. President, the language I have read makes provision, according to the statement of the author of the pending bill, for the expenditure of \$500,000,000 for precisely the same purposes set out in his proposed legislation.

Mr. BANKHEAD. Mr. President—

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Alabama?

Mr. BAILEY. Certainly.

Mr. BANKHEAD. I thought I made clear the fact that rural rehabilitation as now understood is conducted along temporary relief lines, and is totally distinguishable from a long-range plan covering a 50- or 60-year amortization period.

Mr. BAILEY. Mr. President, granting that the Senator has made that clear, let us read again the language.

Mr. RUSSELL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. BAILEY. Certainly.

Mr. RUSSELL. I should like to observe to the Senator from North Carolina that, in my opinion, if the President saw fit, he could use every dollar appropriated by the joint resolution for the purposes set forth and described by the language just read by the Senator from North Carolina. I was the author of the amendment to the bill just read by the Senator. There is no limitation on the amount of money the President may allocate from the \$4,880,000,000

appropriated for the purpose of financing the purchase of farm lands and equipment for farmers, farm tenants, and croppers. I think a careful reading of the language of the clause, which is very brief, will show that there is power to use more than \$500,000,000 for this purpose if the President should see fit so to use it.

Mr. BAILEY. I thank the Senator. I am fully in accord with his view, but I thought I would be straining the argument if I should undertake to say that the entire \$4,880,000,000 would be made available for this purpose. I know that at least \$1,000,000,000 might be made available under the terms of the bill; but, for the purposes of the argument, I am taking the smallest sum, \$500,000,000, and saying that we have provided that amount, and that is enough for the present. If the \$500,000,000, properly expended in the course of the year or the next 18 months, should give us some assurance that the expenditure of larger sums would be wise, I should be ready to vote for additional sums.

My present view is that we ought not to go into this matter further than to the extent of the sum of half a billion dollars, and that, even if the bill should pass, the sum of half a billion dollars could not be expended and the effect of the expenditure could not be realized until the Congress should have met not only in 1936, but in 1937. Therefore we should be content with the \$500,000,000 which we have already authorized, and then await the outcome of the experimentation before we commit ourselves to the expenditure of an additional \$1,000,000,000.

Mr. DICKINSON. Mr. President, will the Senator yield? The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. BAILEY. I am happy to yield.

Mr. DICKINSON. In yesterday's Washington Post I observed an article by Stanley F. Morse, who, I understand, is a responsible and able newspaperman from South Carolina, in which he made this suggestion:

If the Government wishes to try out this idea on a small, practical, inexpensive scale, the Federal land banks have plenty of land they could sell to tenants or croppers on easy terms, supplying supervision and production credits to get 50 or 100 tenants (as a beginning) an opportunity to show their stuff. It would be much wiser and safer to follow this simple, workable plan than to undertake a huge, costly, and probably disastrous experiment in social reform based on the failure of similar schemes in other countries.

Mr. ROBINSON. Mr. President, will the Senator from North Carolina yield?

Mr. BAILEY. Certainly.

Mr. ROBINSON. The statement just made of record does not appear to me to disclose a grasp of the provisions of the bill or the kind of relief which is sought to be extended. I shall not take the time of the Senator from North Carolina to go into it in great detail. I should like the privilege of saying that the Federal land banks cannot make loans which would meet the requirements of the citizens whom this bill is intended to assist. There are several reasons why that is true. In the first place, the land banks are limited by law to about 50 percent of the value of the land. In the next place the terms of the loan are restricted, including the rate of interest, so that the ordinary tenant would be unable to avail himself of a loan from the Federal land banks.

I thank the Senator from North Carolina for yielding.

Mr. DICKINSON. Mr. President, will the Senator yield further?

Mr. BAILEY. I understand the time taken up in colloquy is not taken from my time.

Mr. ROBINSON. Yes; it is. The Senator misunderstands the agreement.

Mr. BAILEY. I do not regret having yielded courteously to my friend from Arkansas.

Mr. ROBINSON. That is very kind of the Senator. I shall not interrupt him further, because the time is limited.

Mr. BAILEY. The Senator from Arkansas knows I do not willingly refuse him any reasonable request on earth.

The PRESIDENT pro tempore. The time of the Senator from North Carolina on the amendment has expired. [Laughter.]

Mr. BAILEY. I live to talk another day on another amendment.

The PRESIDENT pro tempore. The Senator has 15 minutes on the bill.

Mr. BAILEY. If I spoke even a brief time on the bill, that would consume all my time, and I wish to reserve it.

Mr. DICKINSON. Mr. President, in view of the discussion with the Senator from Arkansas, I ask that the article by Stanley F. Morse, which appeared in yesterday's Washington Post, may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 21, 1935]

FARM-TENANT PROGRAM WOULD DISTURB SOUTH—NEW BANKHEAD PROPOSAL, ENDORSED BY SOCIAL PLANNERS, CONTEMPLATES REDISTRIBUTION OF LARGE HOLDINGS; WOULD ESTABLISH PEASANTRY

By Stanley Morse

An attack on the cotton-production system of the South so revolutionary and far-reaching as to arouse an antagonism akin to that of the Civil War is contained in the proposed Bankhead Farm Tenant Homes Act now before Congress. This measure, said to be sponsored by Frank Tannenbaum, of the Brookings Institution, and by social planners in the A. A. A. and the F. E. R. A., has been publicly endorsed by Secretary Wallace. It proposes to provide "a democratic system of land tenure . . . in accordance with the example of many other civilized countries."

Since attempts to improve rural conditions by breaking up large land holdings have been made principally by Russia, Mexico, and Spain, it is presumed that this bill contemplates a similar plan to be applied to the cotton plantations of the South. Yet the agrarian policy of these countries has aggravated rather than improved their agricultural conditions. It is paradoxical that a southern Senator is supporting a measure that would result in the eventual destruction of the South's agriculture which, in fact, developed a cotton industry which is the model for most of the foreign countries (including Russia) now building up their own cotton-production systems.

The Farm Tenant Homes Act (S. 2367) is designed to offset the damage done by the A. A. A. cotton program and the Bankhead Cotton Act in forcing thousands of tenants and share-croppers off farms onto relief, although the South is not specifically mentioned. It is a good example of the usual effect of one economic short cut in leading to another perhaps more harmful. It purports that the Government, through a "farm tenant homes corporation" to be formed, should purchase farm lands and sell them to tenants and share-croppers on easy terms. It would also make loans to these Government-subsidized farmers for livestock, implements, buildings, and production.

This scheme is based on five false assumptions, namely:

1. That tenant farming is an evil, whereas many tenants find it more profitable not to own farms and pay taxes, insurance, repairs, and other overhead expenses. As a matter of fact, many farmers start as tenants and eventually become landowners; these are the capable ones.

2. That of the tenants and share-croppers it is desired to aid (most of whom are submarginal people), probably about 25 percent would be able to operate successfully farms of their own, whereas in the rest of the cases they probably would fail.

3. That small farm units can produce the major farm commodities economically, whereas numerous Government studies have shown that on small farms the higher per acre overhead expenses and the less efficient management usually result in high production costs, and the gross income of small farms frequently is inadequate to support a family.

4. That this project would not increase the unsalable surpluses of farm products to compete with the production of commercial farmers, whereas better land and more money for fertilizer surely would increase the output of these Government-aided farmers.

5. That "many other civilized countries" have developed systems of land tenure superior to that of this country, whereas the American farming system is thought by many to be the best the world has produced and is being imitated widely in other countries.

Lands sold to the Government under the terms of this act would doubtless be priced at double their value, giving landowners an opportunity to unload on the Government. This plan would create uneconomic small farms, increase the production of high-cost surpluses, decrease the farm-labor supply and increase its cost, make tenants and croppers discontented, result in thousands of unsuccessful tenant homesteaders living off the Government, squander more Federal funds, and increase the number of bureaucrats to be supported by the taxpayers.

It would authorize a minimum of \$50,000,000 for capital stock to be paid out of funds appropriated by the 1935 Emergency Relief Act and authorize the issuance of \$1,000,000,000 of bonds with principal and interest guaranteed by the Government. It would tend to compete with private individuals and concerns engaged in the real-estate, banking, and farming businesses. It could condemn and seize lands by right of eminent domain.

The net result of this scheme would be (a) to establish a Government-sustained peasantry and (b) to upset, instead of improve, the entire economic system of the South. It would have harmful effects on farming in other parts of the country.

If the Government wishes to try out this idea on a small, practical, inexpensive scale, the Federal Land banks have plenty of land they could sell to tenants or croppers on easy terms, supplying supervision and production credits to give 50 or 100 tenant farmers (as a beginning) an opportunity to show their stuff. It would be much wiser and safer to follow this simple, workable plan than to undertake a huge, costly, and probably disastrous experiment in social reform based on the failure of similar schemes in other countries.

Most dangerous is the veiled but nonetheless real purpose to have the Federal Government once again dictate to the South how it shall conduct its own affairs. Such a move, added to the already serious loss of part of the South's cotton-export market, might produce grave reactions.

Mr. ROBINSON. Mr. President, will the Senator yield to me in his time?

Mr. DICKINSON. Certainly.

Mr. ROBINSON. The entire premise of the article which the Senator has had inserted in the *Record* is, in my opinion, incorrect. As a further illustration that the Federal land bank could not make loans to tenants of this class, a borrower from the land bank must own the land upon which the loan is to be made and must show title. This is a bill to lend him money with which to buy land.

Mr. DICKINSON. In reply to that statement, I wish to suggest that it would be just as easy to amend the Federal land-bank law to extend the full 100-percent credit which it is now desired to have for the purchaser, as it would be for the corporation proposed to be set up by this bill.

Mr. ROBINSON. It would be impossible for the Federal land bank to do that, because the law forbids it and because the Federal land bank must make a loan on a different basis in order to safeguard the bonds outstanding.

Mr. DICKINSON. But allow me to suggest again that it would be just as easy to amend the Federal land bank law as it would be to pass this bill.

Mr. BAILEY. Will the Senator from Iowa yield? I hope he will yield in order that I may retrieve myself briefly.

Mr. DICKINSON. I yield to enable the Senator to make the statement which he was denied the opportunity heretofore of making.

Mr. BAILEY. I thank the Senator from Iowa. I simply wish to state that the experiment of looking after the tenant farmer, the experiment with reference to the problem of tenancy, is now going on in this country. There is a very large lay-out in the State of Arkansas—I have the report before me—where there are 700 tenants on one tract under the supervision and ownership of the Government. In my own State there is a small colony, as it is called, for which I believe some \$900,000 has been appropriated. In addition to that there are now 150,000 tenant farmers on lands in the cotton States under the supervision of the Government of the United States.

All that is proposed to do here is in addition to the tremendous sum of money we have already provided. For that reason I am in favor of recommitting the bill and letting it be drawn in the light of the circumstances, and also so as to provide that when the money shall be expended there will be some sort of check and some sort of restraint upon its expenditure.

Mr. BLACK. Mr. President, I desire briefly to discuss the motion to recommit.

It is a matter of great regret to me that at least one Senator on this floor who evidently is not opposed to the bill has seen fit to make the decision that he would vote to recommit it under the circumstances which now face us.

It is plain, I think, to anyone who will open his eyes and look that the moving force behind the motion is a desire to defeat the bill. It is impossible for me to believe that one who has listened to the debate and watched the procedure on this measure could escape reaching the conclusion if he should vote to recommit the bill he would be voting to kill it.

I could not, for myself, find much consolation in the arguments made by several of those who have spoken in favor of recommitting the bill. It was difficult for me to see where they had a genuine sympathy pulsating in their hearts for the passage of this measure. When the statement is made that there is a certain amount provided in the general work-relief joint resolution which will last for 18 months or more,

and the statement is made that "that is enough for the present", it is difficult for me to believe it is the intention to send the bill back to the committee with any lurking hope that it will be returned to this body.

Of course, it is perfectly proper to take this means of killing the bill; but I should very much regret to see those on this floor who are honestly, conscientiously not only in favor of the objective, as I think most Senators are, but also in favor of attaining that objective by the passage of a bill which will cover the matter in a systematic way, vote to stick a knife in the measure and destroy it and send it to its death by voting to recommit it.

As I see the matter, a vital question of economics and of governmental policy is involved. More than that, there is involved the age-old question as to whether we actually favor the ownership of land by small farmers or whether we honestly favor the ownership of land in large blocks of thousands of acres by corporations or absentee landlords who have it within their power to stifle the initiative and the aggressiveness and the intelligent work of men who ought to be given the privilege of buying those farms.

There is nothing new in this problem. It is as old as the private ownership of land. It is as old as speculation in land. During the 7 years I have been in this body I have heard few objections raised to increasing the amount appropriated to lend money to landlords. I fail to recall many speeches on this floor against lending money through the Federal Land banks to large landowners, even to the extent of twenty-five or thirty or forty or fifty thousand dollars each. I recall how easy it was to increase the appropriation to lend money to landlords through the Federal Land banks. I do not recall a series of motions to recommit in connection with those measures. I do not even recall any motion to recommit the Reconstruction Finance Corporation bill, which was to lend millions and hundreds of millions of dollars to the landlords who own the insurance companies and the railroads.

This is the first measure I recall which has come before this body; certainly during this session, having as its object the lending of money to the forgotten tenant farmers and share croppers, those little men—few of whom vote in most of the sections where they reside—who live upon the fringe and the border line of subsistence.

Mr. President, what is the fundamental distinction and the fundamental difference?

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from North Carolina.

Mr. BAILEY. I wish to ask the Senator just one question. In lending the trust funds of the United States, does he make no distinction as between those who are solvent and those who are insolvent?

Mr. BLACK. I tried to make that distinction when the Reconstruction Finance Corporation bill came up. On this floor I called the attention of the Senate to the fact that the railroads were insolvent; that the public knew the railroads were insolvent. I called the attention of the Senate to the fact that not only were the railroads insolvent but thousands of banks were insolvent. I do not know about trying to draw the distinction. I think eight Members of the Senate voted against that bill, and I am glad to say I was one of them.

Mr. BAILEY. Mr. President, will the Senator yield further?

Mr. BLACK. I yield to the Senator.

Mr. BAILEY. Does not the Senator know that the Reconstruction Finance Corporation has always required adequate security according to the law as enacted by the Congress?

Mr. BLACK. I do not know what adequate security they have required in all cases. I think I know, and I think everybody else knows, that the Government will not collect all the money it has loaned. I do not think anyone will suggest that it will. I do not think anyone will deny that at the time that bill was passed it was generally recognized on this floor that we were voting to lend money to corporations which were insolvent.

The PRESIDENT pro tempore. The time of the Senator from Alabama on the motion has expired. He has not spoken on the bill, so he has 30 minutes more.

Mr. BLACK. I do not think anyone will deny that there were corporations which were insolvent and which were known to be insolvent; there were banks which were insolvent; there were railroads which were insolvent. The only way in the world by which they could be propped up was by lending the people's money, taken out of the people's pockets, frequently to pay dividends to stockholders and interest to bondholders instead of actually to operate the railroads. Now, however, when we propose a measure to lend money to the millions of little farmers, the little "one-gallus" fellows, the little men who wear overalls, far from the busy haunts of the city, the question is raised, "Can we afford it? Look what a terrible thing it will be to take another billion."

I will admit, my friends, that it is bad to take another billion that we might later be called on to lend to the railroads and the insurance companies. So far as I am concerned, however, I am more willing to jeopardize the credit of the United States Government, if it be such, to lend money to the little individuals who have not had their chance in life, in order that we may help them to buy some of these farms, even from the landlords to whom money has been loaned by the Federal land banks—I am more willing to jeopardize the credit of the Government for that purpose, if it be jeopardizing it, than I am to extend any more loans to prop up the falling business enterprises of this country, to pay dividends and unearned salaries and bonuses out of all decency and just proportion to the labor which those receiving them have performed.

So, there is a fundamental distinction here. The people of Ireland fought over this distinction for a great number of years, and when the tenants failed to obtain the opportunities and decent privileges which others sought to give them throughout decade after decade, it was frequently true that they exacted their rights from behind the hedgerows by methods which we never wish to see occur in this Nation. We know, however, that for more than a century the people of Ireland were faced with the desperate problem of trying to put the lands of that country into the hands of the little man. In this country, when we find tenancy increasing, when we find land ownership concentrating more and more into larger and larger acreage groups and into fewer and fewer hands, we now actually have the sad spectacle of someone saying that he does not want to vote for this bill because, forsooth, it may not be administered exactly as he wants it administered.

If there has ever been a measure brought on this floor which was intended to bring about a more equitable diffusion of the wealth produced by all the people than this bill, I have yet to see it. We might as well say that we would vote against increasing the income and inheritance taxes and imposing a heavier burden upon those who are best able to pay, because the tax law would have to be administered by this administration, as to stand up and say: "We will vote against this bill because it will not be administered by someone we name."

It is true we are going through experiments. I desire to read here, from an editorial published by the Birmingham News, a short paragraph showing some of the good that has been accomplished by this effort to take care of and aid the little man:

Without credit, cash, and almost without hope, Joe Glass, of Piedmont, Calhoun County, last year was enrolled in the rural-rehabilitation program. Payments on a mortgage of \$100 on his 20-acre farm were 4 years in arrears and foreclosure was threatened. He owed back taxes of \$14 and other taxes totaling \$85. The rural rehabilitation division advanced him \$96.49 for groceries, fertilizer, seed, and other necessities throughout the year. He made 4 bales of cotton, 100 bushels of corn, 132 gallons of sirup, 5 bushels of potatoes, 100 pounds of peanuts, 575 bundles of fodder, and 4 tons of hay. He repaid the A. R. A. \$23 in cash, the remainder in labor. He paid the mortgage and all interest. He paid the back taxes and he paid all other debts. He bought some paint and painted his home, thanked the Alabama Relief Administration, and bade good-bye to relief and rehabilitation. This year he will operate his farm without help from any source.

This man happened to have a small 20-acre farm. Hundreds of thousands of others did not. The condition dealt

with by this bill is not limited to any one section of the Nation. It exists all over the country. Even in the great, rich State of Illinois, in the most fertile section of that great State, the evidence shows that from 70 to 80 percent of the farms in the best prairie counties are operated by tenants; and yet we are told that it is dangerous to the credit of the Government to provide for an issue of bonds to the extent of a billion dollars to try to give these men an opportunity to stand up as self-respecting, decent citizens, and buy their land and become good citizens of the Republic.

Let us not make any mistake.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator from Iowa [Mr. DICKINSON] a few moments ago placed in the RECORD an article every premise of which I then stated was, in my opinion, unsound.

One of the statements in that article is:

The net result of this scheme—

Referring to the bill now before the Senate—

would be (a) to establish a Government-sustained peasantry and (b) to upset instead of improve the entire economic system of the South. It would have harmful effects on farming in other parts of the country.

The article goes on to show that the system which prevails in the South, the one which has been described here, and the one which prevails also in many other sections of the country, including some States of the West, a system under which land tenancy has rapidly increased, is the most admirable system that has ever been worked out.

Mr. BLACK. Mr. President, that admirable system seems to have caused the farms of Iowa to be operated 47.3 percent by tenants.

Mr. ROBINSON. And in some other States 68 percent by tenants.

Mr. BLACK. Certainly. That may be the best method of operating farms in this country. If a Senator believes that to be so he should vote to recommit the bill. I do not hesitate to say that if I thought the welfare of this Nation could be best served by having all of the land owned by a few people, instead of having all of the land owned by many people with small farms and homes to which they could go at night with the knowledge that even though the land might be poor, it was their land, if they met their obligations, I would vote to recommit the bill. But I subscribe to a different idea. I believe a nation can come nearer achieving a great and glorious destiny if the land as well as the income of the nation is more equitably distributed among those who produce and those who labor. At least in the State in which I live I prefer to have thousands and hundreds of thousands of small farmers interested in preserving the soil, interested in protecting it from the erosion of time, interested in going to little homes they may have built, painting them with what little paint they can buy, interested in making improvements in those homes as there may be additions in their families from year to year, interested in the homes being increased in size with knowledge on their part that those homes are theirs.

I have heard some say that the object we have in mind is idealistic, and simply the thought of a dreamer. Some have said that the people do not have the initiative to take advantage of such a law. How do we know they do not have the initiative? The same comment was made about what was done in Ireland. Yet through lending money there, not for 60 years, but for 80 years, they have brought about a redistribution of the land and have put on the soil of Ireland thousands and hundreds of thousands of small farmers, to work out their destiny, with loyalty to their people and to their ideals.

Mr. President, that is what I want in the State from which I come and in the Nation in which we live. I want to see a stop put to the steady progression toward more and more ownership of the soil in this country by a few people, some of them a thousand miles away. It has even gone to such an extent, I was told by one sitting close to me on this floor

several days ago, that a very large area of the land in his State is owned by corporations engaged in the farming business. What we propose to do is to provide a cheap method whereby the credit of the United States Government shall be loaned, not merely, as it has been in the past, to the stupendous business enterprises in order that great dividends may be paid, but to the little man.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BAILEY. Does the Senator propose that the Government shall lend its funds to tenants in order that they may buy lands from the corporations, which the Senator is denouncing?

Mr. BLACK. I do not denounce the corporations, except as they may engage in farming. I do not believe in corporate farming.

If the Senator can suggest any method whereby the farmers can get land without buying it from somebody who has it, then I shall be willing to subscribe to the other method. Does the Senator want to take the lands away from the corporations?

Mr. BAILEY. I will suggest a method right now.

Mr. BLACK. Does the Senator want to take it away from them by law?

Mr. BAILEY. The Senator asked me to suggest a method, and I will suggest one. Pass the pending bill, and repudiate the bonds.

Mr. BLACK. If the Senator favors that, that is perfectly all right.

Mr. BAILEY. I think that will be the inevitable consequence if we keep on spending money as we are spending it.

Mr. BLACK. Of course, there comes the old objection, "Spending money! Spending money!" Whose money is it, anyway? Who makes the money? The people of this Nation make it. It is to the interest of the people of this Nation that we try to do what will be for the benefit of all the people, instead of for the benefit of a small, select group of people, as was the case under the old, antiquated system from which we are trying to get away, and which caused the complete collapse in 1929.

Mr. BAILEY. Mr. President, will the Senator allow me to interrupt him once more?

Mr. BLACK. Certainly.

Mr. BAILEY. I understand the Senator's argument to be that the tenant will get the credit, and this small group will get the cash. I think he is making his argument for the small group.

Mr. BLACK. The Senator misunderstood my argument if he understood it to mean what he says he conceived it to mean. I did state that it is easy enough to try to find reasons why one should not favor the little man owning the farm. One of the easiest things to urge, of course, is that they have to buy the land from someone who has it.

How else can a farmer get land? We have ownership of land in this country, and unless we want to abandon the principle of ownership of land, or socialize all the land, there is no earthly chance for a tenant to get the land except by buying it. He himself can either buy the land—which is practically impossible, as has been shown by past history—or he can be afforded governmental assistance. In either instance, the only chance he has to obtain any land is to have it purchased from those who own it, whether they are corporations or individuals.

The pending bill tends toward this objective; it tends toward increasing the number of small farmers in this Nation who will own their land and love their homes. It seems to me a little strange that credit is always safe so long as it is utilized for those who need it least; without hesitation billions of dollars have been appropriated for the benefit of those who have little need, but there is opposition when it comes to those who need assistance and need it desperately, as do these tenants, hidden down on the banks of the creek, behind the canebrake, under the old pine trees. The very moment we propose to provide a method of relief for those who need it most, we find that the last straw has come to break the camel's back.

Mr. President, I am not afraid that such a measure as that before us will strain the credit of the Government, or destroy the Government. Governments are not destroyed in that way. Governments are destroyed by dissatisfaction and discontent and rebellion and revolution among the masses, who find themselves trampled upon and oppressed under conditions from which it is impossible for them to escape.

I do not anticipate that making it possible for millions, or for 500,000, or 200,000, or whatever number we desire to say, to buy land upon which they can live, where they can attach themselves to the land and become real lovers of the soil, will destroy their Government. I hope that the bill will not be recommitted to the committee.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Virginia [Mr. BYRD] to recommit the bill to the Committee on Agriculture and Forestry.

Mr. GORE. Mr. President, I believe that I am as strongly in favor of a country of home owners as is any advocate of the pending measure. I am in favor of adopting all rational means that will bring about economic conditions under which the tenant farmer can, if he desires, buy a home and pay for a home. I hope that that ideal can be made real.

Oklahoma is for the most part a State of small land-owners. We have large estates in Oklahoma. Lands in our State were settled under the homestead laws. This necessitated and insured small holdings, at least in the first instance. Our people have adhered to that plan and that policy.

Oklahoma was settled by pioneers, pioneers who sought homes on the frontier, who builded their own homes. This day is the 46th anniversary of the original opening of Oklahoma Territory. It is a day historic in the annals of the American pioneer. It was dramatized by the historic "run" on the part of the home seekers. It is a day that we still commemorate in Oklahoma and upon which we pay merited homage to the sturdy pioneers who set a new star in that constellation which blazes upon Old Glory.

I think that the pending measure ought to be sent back to the Committee on Agriculture and Forestry or to the Committee on Banking and Currency. I believe every safeguard ought to be erected to insure a wise and judicious administration of the proposed law, and to safeguard it against possible abuses—abuses which, as I interpret the bill as now drawn, might easily creep into the administration of the law; abuses which might not reflect any particular credit upon the prudence and vigilance of Congress in enacting legislation, appropriating such large sums, even though dedicated to bringing about the ownership of homes throughout the country.

The Senator from North Carolina [Mr. BAILEY] a moment ago alluded to the Dyess colony in Arkansas, where some 700 homes have been built in furtherance of one of the subsistence homestead or rural rehabilitation projects; I do not recall the exact title of the project.

I have understood, though I may have been misinformed, that Mr. Dyess, in whose honor the colony is named, was at one time in the employ of the owner of the land on which this colony is located. I do not know whether that is true or not. If it is true, I think that fact ought to be developed when the pending measure is sent back to the committee. The project is located in Mississippi County, Ark. Much of the land, as I have been informed, is owned by the largest individual cotton planter on the globe, and Mr. Dyess, according to my information, was formerly in his employ.

Mr. Dyess has 700 houses, some of which, and perhaps many of which, are located on land, according to this story, owned by his former employer. That story may be true and it may be entirely untrue; I do not know as to that; but at least it raises a warning that the pending measure ought to be so safeguarded as to protect Congress, protect the administration, and protect the Treasury against abuses which might creep in as the measure is now drawn. If the measure is sent back, I hope this project and one other

project which I have in mind will be looked into, Mr. President.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DICKINSON. If a land-colonization plan of this kind is necessary, I am wondering why it could not be tried out in Alabama. We in Iowa will consent to letting them have an Alabama program or an Oklahoma program, but why involve the credit of the Federal Government?

Mr. GORE. I think if the bill goes back to committee, a study should be made of these subsistence homesteads to see if they give sufficient promise to justify our proceeding with them. Perhaps sufficient experience has not been accumulated, yet some lesson might be learned from the programs and experiences already had. I know of one. Another of these colonizations I should like to see investigated.

The VICE PRESIDENT. The question is on the motion of the Senator from Virginia [Mr. BYRD] to recommit the bill.

Mr. VANDENBERG. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. LOGAN. I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the junior Senator from Utah [Mr. THOMAS] and will vote. I vote "nay."

I am not advised as to how the senior Senator from Pennsylvania or the junior Senator from Utah would vote if present.

Mr. LEWIS. I regret to announce that the Senator from Connecticut [Mr. MALONEY] is detained from the Senate on account of illness.

I desire to announce that the Senator from Nevada [Mr. McCARRAN], the Senator from Georgia [Mr. GEORGE], the Senator from California [Mr. McADOO], the Senator from Utah [Mr. THOMAS], the Senator from Idaho [Mr. POPE], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

I also announce that the Senator from Georgia [Mr. GEORGE] is paired with the Senator from Nevada [Mr. PITTMAN]; and I am requested to say that the Senator from Nevada, if present, would vote "yea", and the Senator from Georgia, if present, would vote "nay" on this question.

Mr. METCALF (after having voted in the affirmative). I inquire if the Senator from Maryland [Mr. TYDINGS] voted? The VICE PRESIDENT. He has not.

Mr. METCALF. I have a general pair with the Senator from Maryland. Not knowing how he would vote if present, I withdraw my vote.

Mr. NYE. My colleague [Mr. FRAZIER], who is unavoidably absent, has a pair on this question with the Senator from Connecticut [Mr. MALONEY]. If present, my colleague would vote "nay", and the Senator from Connecticut would vote "yea."

Mr. AUSTIN. I announce the necessary absence of the Senator from Kansas [Mr. CAPPER] and the Senator from Wyoming [Mr. O'MAHONEY], who are paired on this question. If the Senator from Kansas were present, he would vote "yea", and if the Senator from Wyoming were present, he would vote "nay."

I announce that the senior Senator from Pennsylvania [Mr. DAVIS] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent.

The result was announced—yeas 37, nays, 44, as follows:

YEAS—37

Adams	Clark	Hastings	Smith
Austin	Coolidge	Johnson	Stelwer
Bailey	Copeland	Keyes	Townsend
Barbour	Couzens	King	Truman
Bone	Dickinson	Loneragan	Vandenberg
Borah	Gerry	Long	Walsh
Bulkley	Gibson	McNary	White
Burke	Glass	Moore	
Byrd	Gore	Radcliffe	
Carey	Hale	Schwollenbach	

NAYS—44

Ashurst	Bankhead	Bilbo	Brown
Bachman	Barkley	Black	Bulow

Byrnes	Guffey	Minton	Russell
Caraway	Harrison	Murphy	Schall
Connally	Hatch	Murray	Sheppard
Costigan	Hayden	Neely	Shipstead
Cutting	La Follette	Norris	Thomas, Okla.
Dieterich	Lewis	Nye	Trammell
Donahey	Logan	Overton	Van Nuys
Duffy	McGill	Reynolds	Wagner
Fletcher	McKellar	Robinson	Wheeler

NOT VOTING—14

Capper	McAdoo	Norbeck	Thomas, Utah
Davis	McCarran	O'Mahoney	Tydings
Frazier	Maloney	Pittman	
George	Metcalf	Pope	

So Mr. BYRD's motion to recommit the bill was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes; that the House had receded from its disagreement to the amendment of the Senate no. 2 to the bill and concurred therein; that the House had receded from its disagreement to the amendments of the Senate nos. 3, 4, 33, and 34 to the bill and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate; and that the House insisted upon its disagreement to the amendments of the Senate nos. 23, 24, and 25 to the bill.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Carolina [Mr. BAILEY].

Mr. LONG. Mr. President, at this time I wish to complete my remarks relative to the letter of September 8, 1934.

Some of my friends on the floor have been led into error due to some remarks made by the senior Senator from Tennessee [Mr. McKELLAR]. Some of them understood that I was either criticizing or defending one or the other of the administrators of the relief fund in the State of Tennessee. I had not risen for that purpose. I had intended to close my remarks by sending to the desk this letter and asking that it be incorporated in the RECORD, so that Senators and others might read it; but before I could complete my remarks and submit the request I was interrupted by my friend from Tennessee, who had just entered the Chamber and evidently had been informed on the outside that I had made some statement, which I deny the intent of making or that I have made.

What I had done was to read a few lines from a letter. This is not my letter. If the time has come in the Senate that I am no longer going to be allowed to read reports from the new deal without having to fear being assailed as to my motives, or as to the honesty of somebody whom I have never seen and concerning whose honesty or dishonesty I am in no way concerned one way or the other, I feel that I shall be placed at disadvantage which my colleagues do not intend.

When my misinformed colleague from Tennessee returned to the Chamber and took me to task concerning some man down in the bullrushes of Tennessee whom I do not know, I was reading this letter.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG. I yield.

Mr. McKELLAR. The gentleman to whom the Senator refers does not come from Tennessee at all. I was informed that he came from Georgia, but I asked the Senators from Georgia about him and they never even heard of

him. I do not know where he came from. Until the Senator resurrected him I thought he had passed out.

Mr. LONG. I did not resurrect him. My friend from Tennessee very honestly gets the wrong idea sometimes. Because he said the horse is 16 feet high he has to be 16 feet high and cannot be 16 hands high. [Laughter.]

I am reading from a report of the "new deal" government or the "raw deal" government, whichever one may desire to call it:

Federal Emergency Relief Administration, Regional Headquarters, Southeastern Area, 10 Forsyth Street Building, Atlanta, Ga., September 8, 1934.

I read the following extract and I am going to offer the entire letter for the RECORD.

Status of reorganization of the accounting division.

Mr. W. M. Duncan was appointed auditor of the Tennessee C. W. A. in December 1933. He was a C. P. A.—

That means a certified public accountant, I understand—and apparently had excellent references and agreed to carry out the policies of the C. W. A.

They do not say what the policies were.

By the 1st of February in 1934 it was apparent that Mr. Duncan was not qualified for the position. It was also ascertained that he was being controlled by the same political ring that controlled Mr. Menzler.

I do not know to what political ring they are referring, but I wish to say that if this is a reflection upon the political ring with which my friend the senior Senator from Tennessee [Mr. McKellar] is in any way identified, I myself resent it. [Laughter in the galleries.]

Mr. McKELLAR. Mr. President, that is very kind of the Senator.

The VICE PRESIDENT. The Senator will suspend. The present occupant of the chair has not cleared the galleries since he has been Vice President. Each guest of the Senate, as he enters the gallery, is handed a little slip on which he is requested respectfully to refrain from laughter, audible conversation, or anything tending to disturb the proceedings of the Senate. I hope our guests will refrain from any aspects of laughter.

Mr. McKELLAR. Mr. President, I thank the Senator from Louisiana, but I never heard of Mr. Duncan. I do not know what organization he is for or against in Tennessee. I know no such man as the Senator describes. I myself am not allied with any ring of any kind, nature, or description in Tennessee. I hope I have the backing and good will of the people there. I certainly have very much desired their backing and good will.

I am sure the Senator is misinformed about the matter concerning which he is talking. The Senator, as I understood this morning, said something about a man by the name of Simpson and charged the administration with having removed him. The administration did remove Mr. Simpson, but removed him at my earnest request because I thought he was wholly incompetent, wholly inefficient, and not at all the proper man to have in charge down there. They finally agreed with me and removed him, I believe to the great credit of the administration and to the great benefit of my State.

Mr. LONG. That does not cover the point. I was merely stating that this letter says that two men named Menzler and Duncan, who were in charge in Tennessee, were found to be connected with a very bad political set down there and therefore they had to be removed. I understood that a man named Simpson succeeded a man named Menzler. That is all I know. I am now told that later Simpson was removed and somebody else was taken back, and that with him was put back this man Duncan. Their report states he was not only inefficient, but was hooked up with a dirty ring down there.

The point I am making is this: I want to have it understood that these criminations and recriminations are not alone confined to Louisiana. Notwithstanding the fact that Louisiana never did have anything to do with the appointing or removing of either one of them, down in Tennessee, where they appointed and removed them, they have had to start down the list again.

From what I understand, Mr. Duncan is back again, notwithstanding the report that he is inefficient, incompetent, corrupt, can be bought, and is mixed in with a worse political ring than the first one.

Mr. McKELLAR. He must be from Louisiana.

Mr. LONG. I do not think he is.

Mr. McKELLAR. I never heard of the man. I have my doubts whether he is a Tennessean, if I may judge from the Senator's description. I do not think there is a "dirty ring" down there.

Mr. LONG. I, too, doubt it.

Mr. McKELLAR. I myself doubt it.

Mr. LONG. I never saw a bad ring in my life. [Laughter.]

Mr. McKELLAR. I have seen them and so has the Senator, but the Senator does not make one simply by saying there is one. I think the Senator has enough to do in his own State without trying to come up to Tennessee and run that State. Frankly, so long as the Senator undertakes to bring in Tennessee, he is going to hear from me right along. I am not in favor of Mr. Duncan, if he is a bad man. I do not know where he came from. I do not care where he came from. If he is not the right kind of an official, I am against him. I am sure the Senator knows I would not stand for any man in public office who did not regard it as a public trust and who did not act honestly.

Mr. LONG. Mr. President, I send to the desk this letter both recommending Simpson and condemning Duncan in order that it may be incorporated in the RECORD so that the present employees administering the funds may understand.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

FEDERAL EMERGENCY RELIEF ADMINISTRATION,
REGIONAL HEADQUARTERS—SOUTHEASTERN AREA,
Atlanta, Ga., September 8, 1934.

MEMORANDUM

To: Mr. Corrington Gill, assistant administrator.
From: Robert B. Watson, regional field examiner.
Subject: Progress report on reorganization of the accounting and auditing department of the Tennessee Emergency Relief Administration.

You have received this week two wires stating that the accounting and auditing division of the Tennessee Emergency Relief Administration was in process of reorganization. On Thursday we had a lengthy telephone conversation in reference to this situation. In view of the fact that it was impossible to give you a complete picture of the situation at that time, in satisfactory manner, I am presenting this progress report so as to enable you to intelligently answer any questions which may be raised at the Washington office.

INTRODUCTION

The present crisis in the accounting and auditing department can only be viewed intelligently against the background of the past 2 years' experience in Tennessee. The administration of relief never got started properly. The first relief commission in Tennessee, which was organized by the Emergency Relief Division of the R. F. C. in October 1932, was constituted by the State Highway Department of Tennessee. The highway commissioner was chairman of the relief commission. Funds received by the relief commission or the highway department were disbursed by the accounting division of the highway department under the regulations of the State. Using their previous experience in disbursing highway funds they organized a disbursement plan calling for a centralized system. This meant that pay rolls, relief bills, and administrative expenses were all disbursed through the State office. The program itself was never conceived on a decentralized basis, whereas they had county relief committees that had little actual responsibility and at the start were purely political in character. Mr. Roland Haynes, the field examiner of the R. F. C. at that time, succeeded in extending the commission to include other representatives of the State government and the public but the actual administration and the details of the work were carried out by the highway department. This continued until the close of the R. F. C. administration in May of 1933. At that time the accounting division of the highway department was writing from 500,000 to 600,000 checks a month in the State office.

At the start of the F. E. R. A. every effort was made to change the administration set-up, and in the last week of June the Governor appointed the relief commission, to be known as the "Tennessee Emergency Relief Administration", to which commission no representative of the highway department was appointed. Pressure was brought to bear upon the Governor to take away the machinery of the accounting division and statistical division from the highway department, but he successfully resisted the efforts made at that time. In September renewed efforts were made to bring the ac-

counting department over from the highway department to the Tennessee Emergency Relief Administration. By that time the situation was quite deplorable; bills were being piled up, disbursements were unsatisfactory, and there was much friction between the accounting department of the highway department and the officials of the Tennessee Emergency Relief Administration. However, Mr. Johnstone and I obtained an agreement from the Governor that the situation would be corrected, and this agreement was approved by the commissioner of the highway department, and to which the administrator, Mr. Menzler, also agreed. This agreement was obtained about the 1st of October.

When the C. W. A. was inaugurated it was insisted by both Mr. Johnstone and myself that an accounting division must be established in the Tennessee E. R. A. for the accounting and reporting of all C. W. A. funds. It was agreed that along with that should be the accounting and reporting of the F. E. R. A. funds as well. The accountant of the highway department, who was relying upon the staff of his office, which was then doing F. E. R. A. work for his own highway work, resisted all efforts to make this change. Further efforts were dropped during the rush of C. W. A.

In February of 1934 it was apparent that the administrative head of the Tennessee E. R. A. was unsatisfactory and a change would have to be made. As a consequence of the change which took place it was insisted that the disbursing and accounting of F. E. R. A. funds would be transferred from the highway department of the Tennessee E. R. A. and that the Tennessee E. R. A. would disburse all F. E. R. A. funds. After a week's campaign with the Governor and other officials, this was finally obtained, and so the present accounting department of the Tennessee E. R. A. really dates from the 1st of February 1934.

STATUS OF REORGANIZATION OF THE ACCOUNTING DIVISION

Mr. W. M. Duncan was appointed auditor of the Tennessee C. W. A. in December 1933. He was a certified public accountant and apparently had excellent references and agreed to carry out the policies of the C. W. A.

By the 1st of February in 1934 it was apparent that Mr. Duncan was not qualified for the position. It was also ascertained that he was being controlled by the same political ring that controlled Mr. Menzler. So it was felt advisable to make a change in the head of the accounting division as well as the administrator. Mr. Johnstone and I were both in Nashville for a week during the process of the change. Colonel Simpson, who replaced Mr. Menzler, asked Mr. Johnstone to make and approve recommendations for the staff. I agreed to make an investigation as to available accountants. Because the situation had to be handled quickly and knowing that Mr. Duncan was vice president of the Tennessee C. P. A. Association, I asked for his recommendation as to his successor, and his recommendation included that of Mr. C. P. Harris along with others. It was soon ascertained that Mr. Harris was the outstanding candidate in the group, and within 24 hours he was appointed and installed.

I spent some time with Mr. Harris going over the C. W. A. situation and also the F. E. R. A. division. Mr. Duncan agreed to remain for a week or so in order to give Mr. Harris a picture of his work. Right in the midst of this situation I received word from the Washington office to return and get ready to go to Puerto Rico immediately. While in the Washington office it was agreed that Mr. Hickerson, an assistant field examiner, would be assigned to my territory in my absence, with the instructions to go immediately to Tennessee and assist Mr. Harris in his reorganization. I went over the ground thoroughly for an entire day with Mr. Hickerson, with various specific instructions to carry out.

Upon my return from Puerto Rico I went immediately to Tennessee and found that Mr. Hickerson had carried out the instructions to the letter. I spent some time with Mr. Harris and emphasized that the accounting department in the Tennessee F. E. R. A. would never be satisfactory to me until it had been decentralized entirely. I pointed out that Tennessee was the only State which maintained the centralized accounting control, as well as the cumbersome centralized disbursing system. He agreed in general, but felt that the C. W. A. procedure had worked out so satisfactorily that it would be unwise to carry out decentralization at that time. Colonel Simpson, the administrator, was also opposed to the idea. Both men felt at that time that it would be unwise to place any responsibility on the local units, and, furthermore, that there was insufficient trained personnel in the county units to hold up such a system. However, after having Colonel Simpson talk to Mr. Johnstone on the wire, the colonel finally agreed to make an attempt, and specific instructions were given to Mr. Harris to take steps immediately to decentralize his system. I furnished him with copies of all the forms used in the other States and stated to him that by the 1st of April I expected him to be ready to inaugurate his plan, and if he would submit his system to me for approval I would spend some time with him helping him to get started.

Some acute problems arose in my other States during April and May, and I could not carry out the close supervision which I had promised but did keep in touch with the situation from time to time, by wire and telephone. At the end of May, just before my second trip to Puerto Rico, Mr. Harris stated that he was starting to decentralize and so I felt confident that some progress was being made.

I had not been able to return to Tennessee until August 23. On August 24 and 25 I spent the day and a half going over the entire system and as a result of my investigation I disclosed the following points:

(1) No steps had been taken to decentralize the accounting system beyond disbursing the pay rolls in 39 of the 95 counties.

(2) Mr. Harris was still opposed to decentralization although he was willing to follow my instructions in carrying out the plan.

(3) Mr. Scott, his assistant, was also opposed to decentralization.

(4) In spite of trips taken by Mr. Harris and Mr. Scott to survey the Georgia office and also a trip to Washington to consult with you and Mr. Carr, there was a complete lack of understanding as to what was required in the accounting division.

(5) There were 106 employees in the State accounting and disbursing office.

(6) Colonel Simpson reported that he had been able to weed out all employees whom he felt were in any way connected with the political machine of Tennessee with the exception of the employees in the accounting division. On numerous instances Mr. Harris had failed to carry out the instructions of Colonel Simpson in reference to dismissing inefficient employees.

(7) It was very obvious that the personnel of the accounting division were very inefficient and the work was carelessly done, and when I charged Mr. Harris and Mr. Scott with the responsibility of this situation they put up the alibi that they were not responsible for the employees of their division.

(8) On several instances Colonel Simpson had received reports in regard to members of the field auditing staff which tended to definitely show they were playing politics in the field at the behest of the political machine of Tennessee.

(9) Neither Mr. Harris nor Mr. Scott were familiar with the F. E. R. A. accounting manual and no attempt had been made to instruct the field force or the local units as to correct accounting and auditing procedure. No manual for the State of Tennessee was contemplated.

(10) The outstanding commitments of the F. E. R. A. were not ascertainable and could not be obtained as of August 1.

(11) A report had been submitted to Colonel Simpson by Mr. Meiers, the statistician, that apparently Tennessee E. R. A. has run anywhere from \$700,000 to \$1,000,000 in the red for the month of August.

When this situation was reported to Mr. Harris he had no explanation and stated that he could not ascertain it accurately.

As a result of the foregoing facts, I have discussed the entire situation with Colonel Simpson and recommended that he ask for Mr. Harris' and Mr. Scott's resignations immediately. The situation was reported to Mr. Johnstone, the field representative, and he approved the action.

At this stage of the investigation we were all called into Washington for a conference on August 27-29. In the meantime, I surveyed the personnel of the State offices in the Southeastern States and determined upon Mr. John Tarleton, of Georgia, to take over the accounting division temporarily, if Miss Shepperson and Mr. Johnstone agreed. This approval was obtained during the conference at Washington and I also obtained Mr. J. M. Jordan, former assistant field examiner of the F. E. R. A., to act as Mr. Tarleton's assistant during the process of reorganization. It was agreed that we would meet in Nashville on August 31 to make plans for reorganizing the entire accounting and auditing system for the State E. R. A. in accordance with instructions from the field examiner.

PROGRESS MADE FROM SEPTEMBER 1 TO 6, INCLUSIVE

(1) Colonel Simpson requested the resignation of Mr. C. P. Harris and Mr. Scott on Saturday morning, September 1, to be effective September 15. He instructed both Mr. Harris and Mr. Scott to take 2 weeks' vacation between the 1st and 15th and to have their desks available on Tuesday morning.

(2) The week-end was spent in going over the entire background of the previous history of the accounting division with Mr. Tarleton and Mr. Jordan.

(3) Conferences were held by Mr. Tarleton and Mr. Jordan with two or three division heads in the accounting department relative to the present procedure in the accounting division.

(4) Colonel Simpson appointed Mr. Tarleton and Mr. Jordan as acting State auditor and acting assistant State auditor, respectively.

(5) On Tuesday morning Colonel Simpson, Mr. Tarleton, Mr. Jordan, and the regional field examiner talked to the group of 106 employees of the accounting division with the following results:

(a) Mr. Tarleton requested the resignation of the entire 106 of employees immediately. After receiving these resignations he said the acceptance of the resignations would be determined on the basis of efficiency and asked the employees for their 100-percent cooperation.

(b) The field examiner spoke to the employees and stated the purposes of the F. E. R. A. and the necessity for complete reorganization of the accounting and disbursing division.

Later in the day Colonel Simpson and Mr. Tarleton and Mr. Jordan met with the field staff of 16 or 17, and 7 resignations were accepted in the afternoon. It was discovered that these seven men were not qualified as accountants, to say nothing of their qualifications for field work; had been inefficient generally, and were the ones the colonel knew had engaged in political activities to a greater or lesser degree.

(6) It was mutually agreed by Mr. Tarleton, Mr. Jordan, Colonel Simpson, and myself that Mr. Tarleton would have charge of the entire reorganization and that Mr. Jordan would be responsible for establishing the field work throughout the State.

CONCLUSION

In a process of investigating the qualifications of the employees of the accounting division, some interesting facts were disclosed.

One field auditor presented as his sole experience, being a time-keeper and blacksmith on a C. W. A. project. His next position was field auditor for the F. E. R. A. The head of the bookkeeping department presented an experience as follows:

Postmaster of a small town in Tennessee; 10 years as head yard master for the L. & N. Railroad yards, in Nashville; cashier of a grocery store. His next position was head of the bookkeeping department of the State C. W. A.

It was also ascertained on very good evidence that the leading bootlegger in Nashville is a member of the disbursing office of the State F. E. R. A. Two members of the disbursing office and one member of the bookkeeping department have definite criminal records. Further analysis of the qualifications of the bulk of the 106 employees discloses a situation, amounting well-nigh to a scandal. Colonel Simpson has exercised every effort to keep the situation from the newspapers and I have given specific instructions to Mr. Tarleton with the 100-percent support of Colonel Simpson to get rid of all the inefficient employees immediately, if it takes the entire 106. It is to be emphasized that throughout the process of this reorganization the colonel is asking for and accepting all resignations on the recommendation of Mr. Tarleton.

I am leaving on my vacation on September 7 and will return to Tennessee immediately at the end of 1 week's time, about September 15. Mr. Tarleton has stated that, bad as the situation is, he feels that he can have his system very well organized by the time of the regional conference and it is my hope that Mr. Tarleton will be able to present an interesting progress report on Tennessee. At that time, you will get first-hand in much more detail some of the disclosures which were made in the investigation.

Respectfully submitted.

ROBERT B. WATSON,
Regional Field Examiner.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. BAILEY].

Mr. COUZENS. May the amendment be stated?

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all of subsection (d) on pages 4 and 5 down to and including the word "authority" on line 25, page 5, and line 1, page 6.

Mr. ROBINSON. Mr. President, I should like those who are in favor of the bill to understand that this is a very vital amendment, and that its adoption would eliminate from the bill all authorization for a bond issue; and if the amendment should prevail it would, in my judgment, take the very heart out of the bill.

Mr. BAILEY. Mr. President, before the Senator from Arkansas takes his seat, may I ask him a question?

Mr. ROBINSON. Certainly.

Mr. BAILEY. Would not the adoption of the amendment still leave available all the money that was made available for the purpose in the work-relief joint resolution, namely, \$500,000,000?

Mr. ROBINSON. I do not understand that the adoption of the amendment would strike anything out of the work-relief joint resolution. My statement is that it would take the heart out of the bill, and I think that is correct.

Mr. BAILEY. It would take a billion dollars out of the bill, but it would leave the mechanics of the bill to operate on the \$500,000,000 which is available under the work-relief joint resolution. That is correct, is it not?

Mr. ROBINSON. It would leave in the bill the \$50,000,000 for stock to be subscribed by the President.

Mr. BANKHEAD. Mr. President, I am in full accord with the statement made by the Senator from Arkansas. Whatever the possibilities may be under the work-relief joint resolution, we know as a matter of fact that that money is not going to be transferred to this corporation; so it is simply a question of whether we are going to give them this possible asset, this bond issue which can be made only with the approval of the Treasury Department. We know, as a matter of practical affairs, that the \$500,000,000 appropriation for rehabilitation work is to be used along entirely different lines, and the only prospect we have is to get \$50,000,000 out of it and no more. So, if this paragraph is eliminated, the heart of the bill is gone. There will be no appropriation.

Mr. LONG. Mr. President, will the Senator from Alabama answer a question for me?

Mr. BANKHEAD. I will if I can.

Mr. LONG. How many of these so-called "share-tenant" people is the bill to take care of?

Mr. BANKHEAD. I hope it will take care of at least half a million of them before we get through; but this is a long-range program. It is not intended to go into operation for a day or a year. It is to be worked out gradually under the authorization proposed to be given.

Mr. LONG. I understood that there was a total of a billion and a half dollars; or is there just a billion?

Mr. BANKHEAD. Just a bond issue for a billion; that is all.

Mr. LONG. I do not see how very many share-tenant people can be taken care of with that amount. That would be \$200 to the man, would it not?

Mr. BANKHEAD. No; \$2,000. Half a million people would be taken care of under the bond issue.

Mr. ASHURST. Mr. President, before the question is put on the amendment of the Senator from North Carolina, let me say that while I wish to support the pending bill I think the time has come—indeed, it is overdue—when the Government should cease to issue any more bonds with the tax-exempt privilege. The Federal Government and the States are breaking down, they are bogging down, beneath the weight of tax-exempt securities. I, therefore, move to strike out, in line 20, page 5, beginning with the word "The", the following language:

The bonds issued by the Corporation under this subsection shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes), now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

And to insert in lieu thereof:

The interest on the bonds issued by the Corporation shall be subject to taxation as other income.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. ASHURST] to the amendment of the Senator from North Carolina [Mr. BAILEY].

Mr. SHIPSTEAD. Mr. President, I should like to ask the Senator from Arizona if the bonds of the Reconstruction Finance Corporation are tax-exempt.

Mr. ASHURST. The bonds of the Reconstruction Finance Corporation, as I recall, are not tax-exempt, and, in my judgment, they should not be.

Mr. COUZENS. Mr. President, the Reconstruction Finance Corporation bonds are all in the Treasury. There are none in the hands of the public.

Mr. SHIPSTEAD. Then, I should like to say that, while I am opposed to the issuance of tax-exempt securities, I do not like to start the innovation of taxing the income from bonds which have relation to indebtedness assumed by farmers. Necessarily, if they are taxed they will have to bear a higher rate of interest than they will if they are tax exempt, and that means that the farmer will have to pay the tax. He will pay it in a higher rate of interest.

Mr. WALSH. The Senator means that the interest will be added to his total investment, and thereby his investment will be larger, and his debt will be greater.

Mr. SHIPSTEAD. Yes.

Mr. ASHURST. Mr. President, I should be lacking in candor if I failed to say that in my efforts to prevent the issuance of tax-exempt securities I have always had the hearty and able support of the Senator from Minnesota [Mr. SHIPSTEAD]. Of course, no matter where we begin the effort to prevent the further issuance of tax-exempt securities, we are always met with the argument that "this is not the place where the movement should be inaugurated. We have exempted from taxation other securities, why start here?"

We must begin somewhere. All too soon there will come a day when we shall have to commence practicing economy. There will come a day when we shall have to begin to stop the issuance of tax-exempt securities by the Federal Government, and the States likewise will be obliged to take similar action. This bill contemplates a bond issue of a bil-

lion dollars. I assert here, and I call upon members of the Finance Committee to bear me out, that the fact that a bond carries the tax-exempt privilege does not promote its sale. Three Secretaries of the Treasury have advised to that effect.

I submit the amendment. I do not wish to take any more time, except to sound a note of warning: The Federal Government will bog down, the States will bog down, stagger, surrender completely under a load of debt if we continue to permit persons and corporations to have their strongboxes rich and plethoric with tax-exempt securities. Tax-exempt securities cannot be defended.

I hope the amendment I propose will be agreed to at this time.

Mr. DICKINSON. Mr. President, a parliamentary inquiry. I rise to inquire whether the matter proposed by the Senator from Arizona to be stricken out is not included in the motion to strike out made by the Senator from North Carolina [Mr. BAILEY], and whether it is in order.

Mr. ROBINSON. Mr. President, may I interrupt the Senator?

Mr. DICKINSON. I yield.

Mr. ROBINSON. It is in order to perfect the amendment of the Senator from North Carolina.

The VICE PRESIDENT. The amendment offered by the Senator from Arizona is in order, because it undertakes to perfect the amendment of the Senator from North Carolina before the Senate votes on it. The question is on agreeing to the amendment offered by the Senator from Arizona to the amendment of the Senator from North Carolina.

Mr. DICKINSON and other Senators called for the yeas and nays, and they were ordered.

Mr. RUSSELL. Mr. President, I wish to make a very brief statement in connection with the motion made by the Senator from Arizona.

I heartily agree with all the Senator from Arizona says about the impropriety of the issuance of tax-exempt securities as a general proposition. I have supported every measure which has been proposed in the Senate since I have been a Member of this body to change our present national policy of issuing tax-exempt securities.

Mr. ASHURST. I bear witness to that.

Mr. RUSSELL. I have done so for the reasons so very ably described by the Senator from Arizona. However, in this bill there is a distinct provision that—

The rate of interest to be charged by the Corporation upon indebtedness owed to it shall be at as low a rate of interest as the Government can secure the money, and may include a reasonable charge to be applied toward the expenses of administering the provisions of this act.

In other words, Mr. President, if we should make these bonds subject to taxation, and therefore provide a higher rate of interest on the bonds issued to finance the operations of this corporation, seeking, as it will, to provide homes for tenants and those who are least able to pay a higher rate of interest, we would have forced a higher rate of interest on those least able to pay it. We all know that if these bonds alone of the vast amount of Government securities now in circulation are subject to taxation, a higher rate of interest will be required to place them on the market than on issues of other Government securities. We will be providing for a higher rate of interest upon those least able to pay it, the men we are attempting to rehabilitate, and afford opportunities of owning farms.

For this reason, I shall deviate from my policy of voting against the issuance of tax-exempt securities, because I do not intend to see that policy adopted only in providing credit for the most impoverished class of our people, those who have had less advantages in this country than any other class of citizens.

I hope the amendment will be rejected.

Mr. NORRIS. Mr. President, I should like to have the attention of the Senator from Arizona [Mr. ASHURST].

As I remember the language the Senator undertakes to strike out, it provides, not that the bonds shall be entirely exempt from taxation, but only partially so.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. ASHURST. Under the provision as it now reads the bonds are to be exempt only from the normal tax. The bonds will not be exempt as to the surtax, the inheritance tax, the estate tax, or the gift tax.

Mr. NORRIS. No.

Mr. ASHURST. My amendment, if adopted, would simply remove the exemption as to the normal tax.

Mr. NORRIS. Exactly.

Mr. ASHURST. That is the way I understand it. It would strike out certain provisions, and then it would read, "the interest on the bonds issued by the Corporation shall be subject to taxation as other income."

Mr. NORRIS. Mr. President, that brings up a point to which I want to direct the attention of the Senate. Let no Senator be deceived into thinking that the bonds provided would be totally exempt. The bonds would be exempt only as to the normal tax.

Mr. ASHURST. That is correct.

Mr. NORRIS. The bonds would not be exempt as to the surtax. So, after all, the bonds would not be tax exempt. They would be only partially tax-free bonds.

I think every Senator knows that I am opposed, and always have been opposed, to the nontaxation of many bonds which are tax-free. Municipal bonds, State bonds, county bonds, school bonds, all bonds of any particular political subdivision of a State, are entirely free from all sorts of Federal taxation, except as to the inheritance tax.

I favored the attempt that was made when the last revenue bill was before us to insert a provision that the matter of the taxation of bonds should be submitted again to the Supreme Court of the United States. My own judgment has always been that under the income-tax amendment to the Constitution Congress has the power to tax the income from bonds. But the Supreme Court decided otherwise by a divided court. In my opinion, the question has not been as fully analyzed as it might be, and I have thought there might be a fair chance of the Court deciding that Congress had the power to tax the income from bonds under the amendment that was added to the Constitution providing that Congress should have the power to levy income taxes. I have thought a decision might be rendered affirming our power to tax the income from all kinds of bonds if Congress desired to do so.

That amendment failing, I favored, as the Senator from Arizona knows, his proposal to amend the Constitution so that there would be no question about Congress having the power to levy taxes on bonds.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I will yield in just a moment. The great bulk of tax-free bonds are not covered by the provisions of the pending bill. We are letting the great bulk escape, and have done so for a good while. Now there is an attempt to levy a full tax upon the income from these bonds which are intended to give aid to the farmers of the Nation, or those who want to become farmers and own the land they till, a taxation that will mean an increase in the rate of interest they will have to pay and add to their indebtedness in acquiring homesteads. That does not seem to be fair. If there is a place on earth where there ought to be tax exemption, this is the place for it, it seems to me. This matter goes to the very homes of the people.

Mr. CONNALLY. Mr. President, will the Senator yield now?

Mr. NORRIS. I yield.

Mr. CONNALLY. The Senator is aware of the fact that the Federal Government can tax its own bonds.

Mr. NORRIS. Yes; that is true, and these bonds would be partially taxed. They would be taxed as the Liberty bonds were taxed.

Mr. CONNALLY. Would the Senator favor levying a Federal tax on State bonds?

Mr. NORRIS. Yes; on the income from State bonds, as the amendment to the Constitution provides, "from whatever source derived."

Mr. CONNALLY. At the present time States can tax the bonds of other States. New York State can tax the bonds of Nebraska and does it.

Mr. NORRIS. Yes; but New York does not levy a tax on New York bonds, and the United States Government levies no tax on the income which may be derived from an investment in New York State bonds, or in the bonds of any other State, any county, or municipality.

Mr. CONNALLY. The reason why New York levies a tax on bonds of other States and does not levy a tax on her own bonds is that she does not want to tax her own credit.

Mr. NORRIS. Yes; that has been the argument urged.

Mr. ASHURST. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield.

Mr. ASHURST. I would not have anyone believe, least of all would I have a Senator believe, that I would select the farmer as the first victim, so to speak. It is well known, if Senators have deigned to pay any attention to my humble efforts, that for 2 or 3 years I have been going about the land like a bifurcated volcano seeking, at every opportunity, to have enacted legislation designed to prevent the issuance of any further tax-exempt securities by States or the Federal Government. While I do not at all assume an apologetic attitude for the pending amendment, because it happens to be offered to a bill which it is presumed will affect farmers, I wish it understood that I have, at every opportunity, and I shall in the future at every other proper opportunity, offer an amendment similar to this. It just so happens that many Senators honestly believe that the tax-exemption privilege might aid the farmer in selling the bonds.

Mr. NORRIS. I hope the Senator will recall that my time is limited.

Mr. ASHURST. I beg the Senator's pardon. I wish to assert again that the removal of the tax-exempt privilege will not result in an increase in the interest rate.

Mr. WALSH. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. WALSH. I was interested in the colloquy the Senator from Nebraska had with the Senator from Texas, and I was surprised to learn that some States, for instance, New York, tax the income of bonds of other States. Is that a general practice?

Mr. NORRIS. I think it is.

Mr. WALSH. I am surprised to hear that. My own State does not follow that practice.

Mr. NORRIS. But the Federal Government does not levy a tax on the income of bonds of any State. The provision of the bill which the Senator from Arizona seeks to amend provides only a partial tax exemption. It does not permit the bondholder to escape the surtax; and that, after all, is the tax collected from those who can best afford to pay it.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. CONNALLY. Would the Senator also provide that the States might tax Federal bonds?

Mr. NORRIS. No, Mr. President; I would not. That suggestion is not involved in this question. I should be glad to discuss that subject, but it would involve a lengthy debate. If I, as a Member of Congress, had my way about it, I would not have, unless indeed it should be in time of war, any exemption from tax on the income from Federal issues of bonds. I do not see any reason why an income derived from municipal bonds—and I myself own some of them—should not be taxed the same as any other income. I do not think there is anything unfair about it.

Mr. LONG. Mr. President, on one day here we vote an appropriation of several million dollars or billion dollars—it does not make any difference; we just use those terms in order to identify the matter—on one day we vote billions in order to take land out of cultivation, and the next day we vote a few billion dollars to get it back into cultivation. One day we vote a few billion dollars to kill all the hogs, and then the next day we vote a few billion dollars to raise hogs.

A bill is brought in here under the provisions of which a man can be loaned \$10,000 or \$2,000 or \$500. Under it, the Government can lend to one man and does not have to lend to the next man. It can make one man put up 10 percent and give him 30 years in which to repay the loan. Another man does not have to put up 10 percent, and is given 60 years in which to repay. Any kind of discrimination can be indulged in, and any kind of terms for loans can be given.

We have two agencies of farm relief, one to hire a man not to raise, and the other to hire him to buy land on which to raise. Where in the hell are we going?

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Arizona [Mr. ASHURST] to the amendment of the Senator from North Carolina [Mr. BAILEY].

Mr. DICKINSON. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). Making the same announcement as on the previous roll call, I feel free to vote. I vote "nay."

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. I understand, however, that if present he would vote as I intend to vote. I vote "yea."

Mr. ROBINSON. I regret to announce that the Senator from Connecticut [Mr. MALONEY] is detained from the Senate on account of illness.

I desire to announce that the Senator from Washington [Mr. BONE], the junior Senator from Illinois [Mr. DIETERICH], the senior Senator from Illinois [Mr. LEWIS], the Senator from Georgia [Mr. GEORGE], the Senator from California [Mr. McADOO], the junior Senator from Nevada [Mr. McCARRAN], the Senator from Wyoming [Mr. O'MAHONEY], the senior Senator from Nevada [Mr. PITTMAN], the Senator from Idaho [Mr. POPE], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS], are necessarily detained from the Senate.

Mr. NYE. I announce that my colleague [Mr. FRAZIER] has a general pair with the Senator from Connecticut [Mr. MALONEY].

Mr. AUSTIN. I wish to announce the general pair of the Senator from Kansas [Mr. CAPPER] with the Senator from Wyoming [Mr. O'MAHONEY]. I am not advised how either Senator would vote on this question if present.

The result was announced—yeas 32, nays 47, as follows:

YEAS—32

Adams	Coolidge	Hale	Metcalf
Ashurst	Costigan	Hastings	Moore
Austin	Dickinson	Hayden	Steiwer
Barbour	Duffy	Johnson	Townsend
Borah	Gerry	Keyes	Vandenberg
Byrd	Gibson	La Follette	Van Nuys
Carey	Glass	Loneragan	Walsh
Clark	Guffey	McNary	White

NAYS—47

Bachman	Connally	McGill	Russell
Bailey	Copeland	McKellar	Schall
Bankhead	Couzens	Minton	Schwellenbach
Barkley	Cutting	Murphy	Sheppard
Bilbo	Donahey	Murray	Shipstead
Black	Fletcher	Neely	Smith
Brown	Gore	Norris	Thomas, Okla.
Bulkeley	Harrison	Nye	Trammell
Bulow	Hatch	Overton	Truman
Burke	King	Radcliffe	Wagner
Byrnes	Logan	Reynolds	Wheeler
Caraway	Long	Robinson	

NOT VOTING—16

Bone	Frazier	McAdoo	Pittman
Capper	George	McCarran	Pope
Davis	Lewis	Norbeck	Thomas, Utah
Dieterich	Maloney	O'Mahoney	Tydings

So Mr. ASHURST's amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Carolina [Mr. BAILEY].

Mr. ROBINSON. Mr. President, manifestly it will not be possible to complete consideration of the bill this afternoon unless the Senate should remain in session longer than

is expected. It is my purpose now to move an executive session.

Mr. McNARY. Mr. President, may we not dispose of the pending amendment?

Mr. ROBINSON. I understand there will be further debate on the amendment.

Mr. McNARY. The amendment to the amendment was disposed of and leaves the amendment standing as the pending question. If we could get a vote on it at this time, I should be very glad to do so.

Mr. ROBINSON. It was not an amendment to an amendment on which we voted. It was an amendment proposed to the text of the bill.

The VICE PRESIDENT. The amendment just voted on was an amendment to the amendment. The original Bailey amendment is now pending before the Senate, and the yeas and nays have been ordered.

Mr. ROBINSON. The Chair is in error about that. The amendment of the Senator from Arizona [Mr. ASHURST] was to the text of the bill.

The VICE PRESIDENT. But he proposed to amend the amendment of the Senator from North Carolina [Mr. BAILEY].

Mr. ROBINSON. No; he did not.

Mr. McNARY. Yes; he did. [Laughter.]

Mr. ROBINSON. He proposed to perfect the text of the bill, and that is the theory upon which the Chair held his amendment was in order, that it was in order to perfect the text to be stricken out before voting upon a motion to strike it out. It is now immaterial as a matter of fact, but if Senators desire to remain in session longer, I have no objection to doing so.

Mr. McNARY. I am certainly conscious of the amendment upon which I was voting. The Chair is perfectly right in holding that the question voted was an amendment to the amendment offered by the Senator from North Carolina.

Mr. ROBINSON. Since the issue has been raised, we may just as well have it correctly understood. The Senator from Arizona [Mr. ASHURST] moved to strike out a provision in the text of the bill and insert a substitute therefor. The Chair held that he had the right to have it considered before the amendment of the Senator from North Carolina was considered, because the latter Senator's amendment was to strike out the entire provision. Under the rule of the Senate it is proper to perfect the text before voting upon a motion to strike it out. I hold in my hand the amendment which the Senator from Arizona offered. It does not matter what the Chair understood, that is the correct status.

The VICE PRESIDENT. If the Senator from Oregon will permit the Chair to do so, he will state just what happened. The Senator from Arizona offered an amendment to the amendment of the Senator from North Carolina. The Senator from Iowa made a parliamentary inquiry as to whether the amendment of the Senator from Arizona was in order. The Chair held that the Senator from Arizona had a right to perfect the amendment of the Senator from North Carolina before the amendment of the Senator from North Carolina was voted on.

Mr. ROBINSON. I think the Chair is in error. I call for the statement of the Senator from Arizona.

The VICE PRESIDENT. The Senator from Arizona nodded his head indicating that the Chair was correct. [Laughter.]

Mr. ASHURST. Mr. President, the Senator from Arkansas correctly stated my position. The Senator from Arkansas is a trained parliamentarian, as is the Vice President.

Mr. ROBINSON. I have the amendment marked in the bill. This was not a motion. The amendment of the Senator from North Carolina is as follows:

Amend by striking out all of subdivision (d), pages 4 and 5, down to and including the word "authority" in line 25, page 5, and line 1, page 6.

That was the amendment of the Senator from North Carolina. The Senator from Arizona moved to strike out certain language in paragraph (d) on page 5 and insert a substitute therefor.

The VICE PRESIDENT. In the amendment of the Senator from North Carolina?

Mr. ROBINSON. No; not in the amendment of the Senator from North Carolina. There is no language in the amendment of the Senator from North Carolina pertaining to the bill. That was a bare motion to strike out. The amendment of the Senator from North Carolina was to strike out a portion of paragraph (d). The Senator from Arizona, as I stated, moved to strike out a portion of the language in the bill, which was in order, because, as the Chair well understands, it is in order to perfect the language in the bill before striking it out.

The VICE PRESIDENT. Will the Senator permit the Chair to make a statement?

Mr. McNARY. I call for the regular order.

The VICE PRESIDENT. The regular order is the amendment submitted by the Senator from North Carolina [Mr. BAILEY].

Mr. LA FOLLETTE. Mr. President, will the Senator from Arkansas permit me to ask him a question?

Mr. ROBINSON. Certainly.

Mr. LA FOLLETTE. I understood and voted on the understanding that the Senator from Arizona [Mr. ASHURST] was moving to strike out a part of the original text and to insert certain words.

Mr. ASHURST. That is true.

Mr. LA FOLLETTE. So obviously it could not have been in the amendment of the Senator from North Carolina to strike out the entire text, because the amendment of the Senator from Arizona was to strike out and to insert.

Mr. ROBINSON. Perfecting the text of the bill.

Mr. LONG. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. I know nothing about the rules, and it does not make any difference. We have yet to vote on the amendment of the Senator from North Carolina.

The VICE PRESIDENT. The Senator from Louisiana submits a point of order and states he does not know anything about the rules. The Chair sustains the point of order. [Laughter.] The Senator from Oregon has demanded the regular order.

Mr. McNARY. There can be no doubt on the part of anyone conversant with the rules that the Chair is absolutely correct. It is now a matter of holding an inquest, and I am not going to pursue it further. In view of the statement of several Senators just made to me that they desire further to discuss the amendment of the Senator from North Carolina, I am willing to recess at this time.

Mr. SCHALL. Mr. President, I ask leave to have printed in the RECORD a statement in behalf of the pending bill, the Bankhead-Jones farm tenancy bill, by the National Committee on Small Farm Ownership. This committee is made up of outstanding citizens from all over the country who consider it one of the most important and constructive pieces of legislation ever voted upon by Congress.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

STATEMENT ON THE BANKHEAD-JONES FARM TENANCY BILL BY THE NATIONAL COMMITTEE ON SMALL FARM OWNERSHIP

No greater problem confronts our rural community than the persistent growth of farm tenancy. Nearly one-half of all our farmers are now tilling land owned by others, and if the present tendency toward converting the independent farmer into a dependent and propertyless tenant continues, then we must abandon hope of achieving a stable and progressive rural civilization. No satisfactory rural community can be either developed or maintained on a tenancy basis. In eight of our States farm tenants represent more than 60 percent of all farm operators. Nor is the problem a sectional one. Ten of the Wheat and Corn Belt States show from one-third to one-half of the farms operated by tenants, and even in such Western States as Montana and Idaho one-fourth of the farm operators are tenants. Nor is the problem a racial one. There are three times as many white as Negro tenants in the United States, and even in the South there are twice as many white as colored farm tenants.

In view of all these facts we consider the proposed bill for the gradual conversion of the tenant into a land owner as one of the most important and constructive pieces of legislation ever voted upon by the Congress of the United States, and the National Committee on Small Farm Ownership takes this formal occasion to commend Senator BANKHEAD and Congressman JONES for bring-

ing the problem of farm tenancy in the United States before the American Congress, and expresses the hope that the bill which is now before the Senate will be adopted. If passed, it will make possible the growth of a secure and prosperous rural community that owns the land it tills and that can develop to the fullest its share of the great American heritage.

Adopted at a conference of the committee held in Washington, April 19, 1935.

The National Committee on Small Farm Ownership: George Foster Peabody, chairman; Dr. W. W. Alexander, director, Commission on Interracial Cooperation; Rev. W. Howard Bishop, past president National Catholic Rural Life Conference; Dr. Edwin B. Embree, president Julius Rosenwald Fund; Dr. Ivan Lee Holt, Federal Council of the Churches of Christ in America; Mr. William Green, American Federation of Labor; Dr. Charles S. Johnson, director department of social science, Fisk University; F. E. Murphy, the Tribune, Minneapolis, Minn.; Dr. Howard Odum, the University of North Carolina; Charlton Ogburn, counsel American Federation of Labor; Prof. Frank O'Hara, Catholic University; Dr. Clarence Poe, editor the Progressive Farmer, Raleigh, N. C.; B. Kirk Rankin, editor Southern Agriculturist, Nashville, Tenn.; Rev. Edgar Schmiedeler, director rural life bureau, National Catholic Welfare Conference; M. W. Thatcher, the Farmers Educational and Cooperative Union of America; Cal Ward, the Farmers Educational and Cooperative Union of America; Benjamin Hubert, president Georgia State College, Savannah; Donald Comer, Avondale Mills, Birmingham, Ala.; Clark Howell, editor the Atlanta Constitution; Frank O. Lowden, of Illinois; John B. Miller, president Farmers' Cooperative Council; Maj. Robert Russa Moton, Tuskegee Institute, Ala.; Rt. Rev. John A. Ryan, National Catholic Welfare Council; Edgar B. Stern, New Orleans; Louis J. Taber, president the National Grange; Gen. Robert E. Wood, president Sears, Roebuck, Chicago, Ill.; J. F. Jackson, general agricultural agent, Central of Georgia Railway; Hugh McRae, president Southeastern Council.

SALE OF PROPERTY UNDER COURT DECREES

Mr. KING. Mr. President, a day or two ago I asked unanimous consent for the consideration of Calendar No. 513, being the bill (S. 1572) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended.

There was objection at the time the bill was prepared by the Attorney General's Office. I now renew my request for immediate consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah?

Mr. McNARY. Mr. President, when the request was made on Friday last I objected to the consideration of the bill because there was really no emergency demonstrated. The matter has gone over since Friday, and I am now willing that the bill may be considered.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with amendments, in section 1, on page 2, line 12, after the word "sold", to insert the words "as a whole or in separate parcels"; on page 3, in line 6, to strike out the words "the court, after a hearing, upon such notice to parties in interest as said court may direct" and to insert the words "after a hearing of which notice to all interested parties shall be given by publication or otherwise, as the court may direct, the court"; and in line 21, after the word "value", to insert "Provided further, That before confirmation of any private sale, the terms of such sale shall first be published in such newspaper or newspapers of general circulation as the court having jurisdiction may direct at least 10 days before confirmation; and such private sale shall not then be confirmed by said court where a bona fide offer has been made, under such conditions as said court may prescribe, which offer shall guarantee at least a 10 percent increase over the offered price specified in such private sale", so as to make the section read:

That the act entitled "an act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893 (ch. 225, 27 Stat. 751, as amended; U. S. C., title 28, secs. 847, 848, and 849), be, and it is hereby amended to read as follows:

"SECTION 1. All real estate or any interest in land sold under any order or decree of any United States court shall be sold at public sale at the courthouse of the county, parish, or city in which the property, or the greater part thereof, is located, or upon the premises or some parcel thereof located therein, as the court rendering such order or decree of sale may direct, said sale

to be upon such terms and conditions as said court shall approve: *Provided, however*, That if said property shall be situated in more than one county, State, judicial district of the United States, or judicial circuit of the United States, whether in one or more parcels, said property shall be sold as a whole or in separate parcels at public sale at the courthouse of the county, parish, or city in which the greater part thereof is located or upon the premises or some parcel thereof as the court rendering such order or decree of sale may direct: *And provided further*, That if at the time said property is offered for sale it is in the possession of a receiver or receivers, or ancillary receiver or ancillary receivers, appointed by one or more district courts of the United States, said property wherever situated shall be sold at public sale in the district of primary jurisdiction at the courthouse of the county, parish, or city situated therein in which the greater part of said property in said district is located or on the premises or some parcel thereof located in such county, parish, or city therein as the court having primary jurisdiction by such order or decree of sale may direct, unless said court shall order the sale of the properties or one or more parcels thereof in one or more ancillary districts. The United States court having primary jurisdiction shall be deemed to be the court first appointing any such receiver.

"After a hearing of which notice to all interested parties shall be given by publication or otherwise as the court may direct, the court may order and decree the sale of such real estate or interest in land or any part thereof at private sale for cash or other considerations and upon such terms and conditions as the court directing the sale may approve, if it finds that the best interests of the estate will be conserved thereby: *Provided*, That before confirmation of any private sale, the court shall appoint three disinterested persons to appraise said property or, if the court deems advisable, different groups of three appraisers each to appraise properties of different classes or situate in different localities, and no private sale shall be confirmed at a price less than two-thirds of the appraised value: *Provided further*, That before confirmation of any private sale, the terms of such sale shall first be published in such newspaper or newspapers of general circulation as the court having jurisdiction may direct at least 10 days before confirmation; and such private sale shall not then be confirmed by said court where a bona fide offer has been made, under such conditions as said court may prescribe, which offer shall guarantee at least a 10 percent increase over the offered price specified in such private sale. The provisions of this section shall apply to sales and proceedings now pending in the courts of the United States as well as those commenced hereafter. The provisions of this section shall not apply to sales and proceedings under the Bankruptcy Act."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. LONERGAN, from the Committee on Finance, reported favorably the nomination of Dr. Harry C. Knight to be assistant surgeon in the Public Health Service, to take effect from date of oath.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first business in order on the calendar.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered.

That completes the calendar.

RECESS

Mr. ROBINSON. As in legislative session I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Tuesday, April 23, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 22 (legislative day of Apr. 15), 1935

UNITED STATES DISTRICT JUDGE

John D. Martin, Sr., of Tennessee, to be United States district judge, western district of Tennessee, to succeed Harry B. Anderson, deceased.

UNITED STATES ATTORNEY

Frank E. Flynn, of Arizona, to be United States attorney, district of Arizona, to succeed Clifton Mathews, appointed United States circuit judge, ninth circuit.

UNITED STATES MARSHAL

Robert W. Rabb, of Pennsylvania, to be United States marshal, middle district of Pennsylvania, vice Percy Brewington, deceased.

JUDGE OF THE MUNICIPAL COURT, DISTRICT OF COLUMBIA

Armond W. Scott, of the District of Columbia, to be a judge of the municipal court, District of Columbia, vice James A. Cobb, term expired.

REGISTER OF THE LAND OFFICE

Leo F. Sanchez, of New Mexico, to be register of the land office at Santa Fe, N. Mex., vice Maurice F. Miera, resigned.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. Elmer Dane Pangburn, Infantry (detailed in Quartermaster Corps), with rank from March 26, 1934.

Second Lt. Charles Gates Herman, Infantry, with rank from June 10, 1932.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICER

To be brigadier general, Adjutant General's Department, National Guard of the United States

Brig. Gen. Carl Eugene Nesbitt, Adjutant General's Department, Texas National Guard.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 22 (legislative day of Apr. 15), 1935

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

Capt. Arthur John McChrystal, to Adjutant General's Department.

First Lt. Elmer Matthew Webb, to Quartermaster Corps.

Second Lt. Lawrence Browning Kelley, to Air Corps.

PROMOTIONS IN THE REGULAR ARMY

Clyde Charles Alexander, to be major, Field Artillery.

James Clyde Welch, to be captain, Infantry.

Miner Welsh Bonwell, to be captain, Infantry.

George Frederick Kehoe, to be first lieutenant, Air Corps.

Roy Henry Lynn, to be first lieutenant, Air Corps.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 22, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father of life and light, tarrying in the afterglow of the greatest day in the calendar of men, we would learn more of the earthly life of our Savior. Today thoughts and themes are stirring and thrilling the finest spirits of earth.

Around His brow, so pure, chivalrous, and holy, are the sparkling suns of eternity. We rejoice that in Him is life eternal and that He lives above the clouds of sorrow and the gorge of death. Give us, blessed Lord, a courageous sense of Thy presence and an appreciation of the royalties that belong to the sons of God. So often in the midst of responsibilities and problems unsolved, touch the strongest chords of our natures. Help us to always hold the truth in all earnestness and eagerness of mind. Keep us tremendously aware that to love self to the neglect of others is a wicked and a woeful mistake. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, April 19, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

Mr. SNELL. Mr. Speaker, reserving the right to object, it has not been my policy to object to Members on the other side speaking whenever they desired, but the other day when the gentlewoman from Massachusetts [Mrs. ROGERS] wanted to address the House, someone on that side objected, and it has always been that way. Whenever someone on this side wanted a few minutes, someone on the other side objected. If that policy is going to be followed, I shall have to object to my good friend the gentleman from Virginia [Mr. WOODRUM], even speaking for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none.

Mr. SNELL. Mr. Speaker, I objected.

The SPEAKER. Did the gentleman object? The Chair begs the gentleman's pardon. Objection is heard.

Mr. WOODRUM. Mr. Speaker, I desire to submit a unanimous-consent request.

I ask unanimous consent that on Wednesday next, after the reading of the Journal and the disposition of matters on the Speaker's table, I may be permitted to address the House for 30 minutes.

The SPEAKER. The Chair will state to the gentleman from Virginia, as he probably knows, the Chair made an announcement some time ago that in the future the Chair would not entertain requests to address the House prior to one day preceding the time at which the address is to be delivered. The Chair therefore hopes the gentleman will withdraw his request and make it tomorrow, and the Chair hopes that the request will then be granted.

Mr. WOODRUM. Mr. Speaker, I withdraw the request and serve notice that on tomorrow I shall renew it.

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes. Forty-six years ago today my State was opened by a "run." I would like to speak on that subject for 5 minutes.

Mr. SNELL. Mr. Speaker, I shall have to object to all such requests. I have told the reason, and I am sorry.

Mr. LEE of Oklahoma. I never objected to such a request in my life.

Mr. SNELL. I know that, but the sauce that is served to the goose is going to be served to the gander, and if you are not going to allow us to speak, we are not going to allow you to do so by unanimous consent.

Mr. LEE of Oklahoma. May I say it is embarrassing enough to ask for a chance to speak here—I surely shall not argue for it.

ELECTRIC POWER FOR SOUTH DAKOTA

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?
There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, although more than half of the farms in the Eastern States, as well as certain extreme Western States, have electric lights and power, not more than 5 percent of the farms of South Dakota enjoy these facilities. Why should not South Dakota have as complete electric service as any State? Why should not all farms have such service everywhere?

This is shown in interim report, Power Series No. 1, of the National Power Survey of the Federal Power Commission.

Development of the Missouri River can provide energy for the rural electrification that my State and several nearby States so greatly need. I have frequently urged such development, and at this time I wish to repeat my recommendations that early action be taken.

The prospect of farm homes equipped with electric lights and power for the operation of threshers, washers, and other machines necessary to take care of the work of a farm has been placed before us in recent months, especially in connection with the Tennessee Valley Authority project. It is a prospect that appeals to every citizen to see life made happier, freer, and more comfortable for the average man and woman. Those who know my own sympathy with this average citizen—this "forgotten man" (and woman)—will have no uncertainty as to my position on this point.

The question has sometimes been raised as to the possibility of selling electric energy and there has been the implication that the field would be a very limited one. I believe this is an incorrect view. If a real program of rural electrification is put on, there will be no question about the sale of the energy. Naturally it would have to be cheap electricity. That is what we are seeking. If the electricity is not cheap enough, certainly our people are not going to buy it—could not afford to; but if it is sufficiently cheap, there will be an abundance of purchasers.

The Federal Power Commission, in a report that is on the surface dry and uninteresting, but which is really laden with vital facts, furnishes me with better arguments than I could personally advance in favor of an extensive program of electrification in South Dakota.

The report is accompanied by a detailed map of undeveloped power areas, showing the Missouri River Basin in South Dakota, also the Cheyenne River Basin, as among the sections which, in the Commissioner's opinion, merits development.

The estimated annual output of the upper Missouri region is placed in the report at 4,788,000,000 kilowatt-hours.

The reference to sparsely settled territory is natural, although with sufficient hydroelectric development, it is a certainty that the territory will be more densely settled. People gravitate into sections in which they can live with satisfactory conveniences. The way to build up a section is to electrify it. I quote from the portion of the report dealing with this point:

Many of the undeveloped water-power sites are located in sparsely settled territory and, in general, will require relatively long transmission lines, unless certain industries find it more economical to construct their new plants at or near the water-power sites rather than to expand their existing plants or locate at present industrial and commercial centers. Water-power plants must be located where streamflow, head, topography, and geological conditions are found favorable.

Electricity is the key to modern progress. It must, however, be electricity that is in the hands of the people and that is available at cheap prices. It must not be electricity that is monopolized by selfish private interests and that is turned over to the public only after it has paid exorbitant rates through coercion.

THE CHILDREN'S HOSPITAL OF THE DISTRICT OF COLUMBIA NEEDS ADDITIONAL FUNDS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?
There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, I want to thank the distinguished Chairman of the Committee on the District of Columbia, the gentlewoman from New Jersey [Mrs. Norton], for agreeing to present an amendment to S. 2035 permitting the Commissioners of the District of Columbia to borrow \$100,000 for the purpose of making a loan to the Children's Hospital for necessary alterations and enlargement of the buildings of the Children's Hospital of the District of Columbia.

As chairman of the Subcommittee on Fiscal Affairs of the Committee on the District of Columbia, it was my responsibility to consider S. 2035. By direction of the subcommittee, the bill was favorably reported at the last meeting of the full Committee on the District of Columbia last Wednesday.

Subsequent to the meeting of the committee I was approached on behalf of the Children's Hospital and was informed of the conditions which have developed at the Children's Hospital. It appeared that the amendment which has been adopted by the House was not only appropriate but necessary. I immediately contacted the gracious Chairman of the Committee on the District of Columbia, the gentlewoman from New Jersey [Mrs. Norton], and found a ready response to the needs of the Children's Hospital of the District of Columbia. As ever, Mrs. Norton has displayed a fine humanitarian spirit—a spirit of understanding and appreciation of the needs of sick children, and particularly of the needs for separating tubercular children from other children who are ill.

TUBERCULAR CHILDREN OF THE DISTRICT OF COLUMBIA

Much progress has been made in the care of tubercular children in the District of Columbia in the last years. The establishment of a home for tubercular children, at Glendale, Md., has been a favorable forward step. Great care should be exercised, particularly at this time when so many children are suffering from malnutrition, in the separation of these two general classes of cases. To have an undernourished child coming in contact with a tuberculous sufferer is almost an assurance of adding another to the unfortunate list. All are agreed that a clinical examination for the determination of the condition of children should be made in the community in which they reside and that a definite diagnosis should be made of suspects in some well-established clinic. The Children's Hospital, with all of its clinical facilities and its record department of 66,000 up-to-date case histories of children under 16 years of age in the District of Columbia, not only makes of it the ideal location for such a clinic but it is now, and has for years past, been doing this work for the District of Columbia without charge.

The heating plant of the Children's Hospital has been condemned. It needs a new laundry and it needs additional rooms for nurses. A very careful and economical study has been made of costs of such alterations and installations and it is estimated that about \$100,000 will be required. Most of this amount would be expended in labor on the site of the hospital. Owing to the financial condition of the hospital and the existing mortgage, as outlined heretofore, the hospital is unable to finance these necessary repairs, betterments, and alterations.

The amendment gives permission to the District of Columbia by the Congress to enter into a contract with the Children's Hospital for the clinical examination of children suspected of being tubercular, and to pay to the hospital, in advance, the sum of \$100,000, or so much thereof as may be necessary, to make the necessary improvements, betterments, and alterations in the buildings now or to be constructed on the property of the Children's Hospital; and that further permission be granted the District of Columbia to borrow such funds as may be necessary out of any appropriation heretofore or hereafter made and available for such purpose.

THE CHILDREN'S HOSPITAL, WASHINGTON, D. C.

The Children's Hospital of the District of Columbia, organized in 1870 as a charitable institution, merits support by Congress. Not to burden you with volumes of statistics, may I briefly summarize its functions by stating that, for the year 1934, 48,727 days' care was given patients in the hospital, 85 percent of which were charitable cases. That 57,784 visits were made by children to the numerous clinics operated in the hospital, from which the hospital received during the year \$5,295.42, representing small fees from those able to pay. The most eminent physicians of Washington make no charge for their daily devotion to the wards of the hospital.

Of the total of \$230,272.49 expense of operating the hospital for the year 1934, \$14,585.87 was paid for administration; \$32,779.20 for nurses; \$11,029.44 for internes and house doctors; \$67,309.78 for dietary; \$10,589.67 for maintenance and repairs. Our per patient day cost in 1931 was \$4.68. In a continuing descent it reached the figure of \$3.60 for the 6-month period ending June 30, 1934. In the last 6 months of 1934 it rose again to \$3.83. Later figures are not available but they are on the ascent again. The Board of Public Welfare of the District of Columbia sends indigent patients for hospitalization and during the present fiscal year engaged to pay the hospital at the rate of \$2.48 per day, per patient. The difference between the cost of operating the hospital and the amount received from the Board of Public Welfare, and such few patients as can pay for hospitalization, is made up of an insufficient contribution on the part of the community chest, gifts from individuals, income from endowments; the sum total of which, however, have left deficits represented by a bank loan of \$70,000 and unpaid accounts with merchants and others.

A mortgage on the property of the hospital amounting to \$156,500 makes it impossible for the hospital to make further borrowings for the necessary alterations, rehabilitations, and installations hereinafter outlined.

Mr. Speaker, I again want to thank the gentlewoman from New Jersey for her readiness and willingness to introduce the amendment on behalf of the Children's Hospital of the District of Columbia, and I want to thank the Members of this House for adopting this amendment.

NATIONAL MONUMENTS IN SOUTH CAROLINA

Mr. TAYLOR of South Carolina. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein some historical data gathered at the Army War College by Col. R. T. Jaynes, of Walhalla, with respect to certain activities during the Revolutionary War.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. TAYLOR of South Carolina. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

I have introduced in the House of Representatives two bills which are to create national monuments of two hallowed and historical spots in the State of South Carolina which I have the honor to represent in this body. One bill, H. R. 7543, is to provide for the establishment of a national monument in Oconee County, S. C., to be known as the "General Andrew Pickens National Monument"; and H. R. 7542, to provide for the establishment of a national monument and cemetery in Greenwood County, S. C., to be known as the "Star Fort National Monument and Cemetery."

In order to acquaint Members of the House with the background of these two measures and the particular localities which they would preserve and perpetuate for all time, I feel that it is proper that I give as briefly as possible the history connected with the old Star Fort, in Greenwood County near Ninety Six, and also take a glance at the life and times of Gen. Andrew Pickens, whose memory and old homestead I propose to perpetuate in H. R. 7543.

In this connection I feel that it is a proper time to take some definite steps not only to preserve the memory of Gen. Andrew Pickens and the battlefield at Star Fort, where Gen. Nathanael Greene engaged the British in a long siege in 1781, but also other men whose memory time has dimmed

and other locations where the original glory has been effaced by the elements and time. South Carolina was in the forefront of the battle for American independence. Her people gave generously of their lives and fortunes to create this Nation. Many of the great battles of the Revolution were fought on her soil. I propose in these bills I have introduced to preserve for generations that are to come two of the particular spots that mean so much to the people of my State and that should, in reality, mean a great deal to the people of the Nation. The Daughters of the American Revolution of my State have already marked these two hallowed spots but there remains yet considerable work that can be done to restore these two localities to the conditions existent during and immediately following the periods during which both made history for this Republic.

The Star Fort Battlefield is in Greenwood County, S. C., 3 miles from Ninety Six, by improved road. The fort which is in the shape of a star is yet in a fine state of preservation, although it was built nearly 160 years ago. It has already been surveyed and inspected by the War Department, and it is my opinion that not a great deal of money would be required to put it in fine shape and to keep it that way. The same is true of the home of Gen. Andrew Pickens near Tamasee in Oconee County, S. C., near which is the site of the "ring fight" where General Pickens engaged the Cherokee Indians in 1779 in a battle that made the upper section of South Carolina safe for the white settlers.

STAR FORT HISTORY

With reference to the historical background of old Star Fort I am quoting herewith in part some information which has been prepared on this subject by the historical section of the Army War College.

The siege of Star Fort and Ninety Six is one of the most interesting and spectacular of the operations which occurred during the closing months of the Revolutionary War. The 4 weeks from May 22 to June 19 were crowded with the drama of siege warfare, with novel expedients to secure military advantage, and with examples of chivalrous conduct on the part of all the combatants, somewhat exceptional in the southern campaign. After Lord Rawdon burned and abandoned his post at Camden, S. C., on the 8th and 9th of May, 1781, the ruins of the town were immediately occupied by the Continental Army, commanded by Gen. Nathanael Greene. Plans were at once made by the Americans to press the advantage gained over the British by the latter's evacuation of the strong frontier posts of Augusta and Ninety Six. At this time Lord Charles Cornwallis was operating in Virginia at the head of the main British Army in the South.

Upon abandoning Camden, Lord Rawdon fell back in the direction of Charleston for the purpose of receiving expected reinforcements, to cover the lower country, and to give protection to Charleston itself. Several expresses were sent by him to Lt. Col. John H. Cruger, commanding at Ninety Six, to withdraw his garrison and join that of Augusta, about 60 miles to the south, on the Savannah River. None of the several messengers sent with these dispatches for Cruger succeeded in reaching their destination.

Ninety Six derives some celebrity in the annals of this country from having been the scene of the first conflict in South Carolina of the Revolutionary War. At that place commenced, on the 19th day of November 1775 the sanguinary conflict between Whig and Tory which never ceased during the entire period of the war. The settlement of Ninety Six was surrounded by the stockade as a defense against incursions of Indians who were not far removed from it. The stockade still stood when the British subjugated the province of South Carolina in 1780, and Ninety Six was garrisoned by them and made a principal point in the chain of their military posts. Its situation on the Cherokee Trail rendered it peculiarly important and of great strategic value to the British. It maintained communication with the Indians, kept in check the Whig settlements to the west of it, and covered those of the loyalists to the north, east, and south. It was the most advanced post occupied by the British, and by its approach to the upper parts

of North Carolina and Georgia, supported Camden and Augusta in their influence upon the population of these two provinces. It was also a depot for recruits, and it was here that Major Ferguson made his headquarters in 1780 as organizer and inspector of Tory militia recruited in the adjacent country.

Ninety Six was garrisoned by about 550 loyalists at the time General Greene marched from Camden to lay siege to it. Of this number 350 belonged to the Provincial Corps, made up of troops recruited in the United States. In Delancey's battalion of New York Loyalists there were 150 men, and in the Second Battalion of New Jersey Volunteers 200 men. These corps had been raised in 1776, were well disciplined, and from the active service in which they had been engaged ever since their first landing in Georgia, had become equal to any troops. The remainder of Cruger's command consisted of about 200 South Carolina Tories, under Colonel King. These were given an opportunity to quit the garrison when it became known that Greene's Army was approaching, but they preferred to remain. The entire garrison of Ninety Six was composed of Americans, Colonel Cruger being a native of the State of New York.

When Cruger learned that the British had abandoned Camden and fallen back on Charleston, it appeared quite probable to him that a strong force of Americans would be sent against Ninety Six to effect its subjugation, and energetic measures were at once put into effect to strengthen the post. The entire garrison was set to work to throw up a parapet outside the stockade, and slaves were called in from the neighborhood to assist in the work. Beyond the ditch, created by throwing up the parapet, abatis was constructed. To the left of the stockaded village was a ravine, through which ran a rivulet that supplied the troops with water. Lying contiguous to the village, between it and the rivulet, and within the confines of the stockade was the county prison. This was fortified, and its cannon and musketry fire covered the valley of the rivulet on the side next to the village. On the opposite side of the valley, and within reach of the gun posted at the prison, there was constructed a strong stockade fort with two blockhouses, which covered the communication with the rivulet in that quarter. A covered way led from the village to the rivulet, and by this passageway water was obtained during the siege. Within the village blockhouses were erected, and caponiers prepared by which communication was maintained between the several parts of the works. Traverses were thrown up to prevent the execution of shells and ricochet shots.

On the right side of the village was located the only part of the works that constituted a strong defensive position. This had been planned sometime before by Lieutenant Haldane, of the engineers, aide-de-camp to Lord Cornwallis. It consisted of a work of 16 salient and reentrant angles, with a dry ditch and abatis, and was called the "Star." One hundred and fifty of the Provincial Corps and 50 militia, under the command of Major Greene, of Delancey's battalion, were selected to occupy the Star. A captain's party and some militia were placed in the stockade beyond the rivulet, and a subaltern's guard in the prison. The remainder of the troops was held by Cruger under his immediate command in the village. There were only three 3-pounder cannon in the garrison, and but a very small quantity of ammunition. Food had been stored within the stockade surrounding the village in anticipation of a siege.

General Green appeared in front of Ninety Six on the 22d of May 1781. His effective force, exclusive of militia, was about 1,000 men and a park of artillery. His command included the Maryland and Virginia brigades and the Delaware and North Carolina battalions. Reconnaissance was made of the position by Greene and his engineer officer, the Polish count, Kosciusko, and it was decided to demolish the Star, the strongest point in the enemy's defenses, rather than to attempt to secure the rivulet and cut off the water supply. This latter plan was rejected as it was believed at the time that the besieged could obtain water within the stockade by sinking wells.

Breaking ground close to the Star, Kosciusko labored with diligence during the first night, but by daybreak only very little headway had been made. Cruger hastily completed platforms for his guns in the Star and moved them into the salient nearest to the besiegers and opened fire on the working party, not more than 70 paces distant. Under cover of the gunfire, supported by musketry, 30 men debouched from the Star about noon on the 23d and rushed the working party, putting every man they could reach to the bayonet. This raiding force was followed by a detachment of militia, who quickly demolished the works and carried off the intrenching tools. So judiciously was this double sally planned and so rapidly executed, that although Greene promptly sent a detachment to support Kosciusko, the object of the raiders was accomplished before the supporting troops could arrive. Taught by this essay that the enemy was of a cast not to be rashly approached, Greene ordered Kosciusko to resume his labors under cover of a ravine at a more respectable distance. Kosciusko broke ground again on the night of the 23d at a distance of 400 paces, still directing his approaches against the Star, and by the 3d of June completed the second parallel.

In the meantime General Pickens and Lt. Col. Henry Lee besieged and captured Forts Cornwallis and Grierson at Augusta, and then hastened to the assistance of Greene. Lee arrived on the 8th of June, and Pickens soon afterward. In this connection I would like to add that the General Pickens referred to is the same one whose home and memory I propose to perpetuate in H. R. 7453.

As soon as the second parallel was completed Greene summoned the garrison to surrender, but Cruger replied that "My duty to my sovereign renders inadmissible at present such a step." The temporary truce entered into to conduct the parley thereupon ceased and Greene opened fire with his batteries, which enfiladed some of the works. The cannonading was continued at intervals for several days, and at the same time a sap was pushed against the Star, and the batteries advanced as the work progressed. One of the saps, constructed of fascines and gabions, at no greater distance from the abatis than 35 paces, was elevated 40 feet from the ground and upon it a number of riflemen were stationed, who, as they overlooked the British works, did great execution. The garrison crowned their parapet with sandbags, leaving apertures through which to fire their rifles. African arrows were thrown by the besiegers on the roofs of the barracks within the stockade to set them on fire, but this design was immediately counteracted by Colonel Cruger, who directed that all the buildings be unroofed. These arrows fitted into the bore of muskets from which they were discharged. They were armed at the end with a barbed spear, entwined with flax, dipped in combustibles, lighted, and shot into the wooden buildings.

With the intention of burning a battery position of the assailants, constructed of crib work, attempts were made by the British to heat shot, but these efforts were frustrated for want of furnaces. The personnel in the Star now found themselves unable to continue firing their guns from the platform in the daytime, so withdrew them through the day and used them only at night.

When on the 8th of June the command of Lieutenant Colonel Lee joined from the successful siege of Augusta, the garrison of Ninety Six had the mortification of seeing their comrades in arms from Augusta marched by them as prisoners of war. With the British standard reversed, drums beating, and fifes playing, the exhibition, instead of producing a depressing effect upon the besieged, had quite a contrary effect. The regular soldiers were convinced by their officers that death was preferable to captivity under such humiliating circumstances, and the Tories within the works felt more certain than ever before that each was "fighting with a halter around his neck."

On the evening of the 9th of June two parties made a sortie from the works to obtain more definite information relative to the nature and progress of the siege operations being conducted by the Americans. One party from the

Star penetrated to one of the four-gun batteries, but was unable to damage the guns for want of spikes and hammers. This party discovered the mine designed to be carried under a curtain of the Star, and inflicted a wound upon Count Kosciusko, who was engaged at the time in examining it; the other party from the left of them to the bayonet, capturing the officer in command. On the 12th of the month, at 11 o'clock in the forenoon, a sergeant and nine privates from Colonel Lee's command advanced with lighted combustibles to set fire to the abatis on the left of the works. This bold enterprise was conducted under cover of a concentrated fire from all the batteries and during a heavy storm. Just as the sergeant was in the act of applying the fire his party was discovered, and he and five privates were killed. The remaining four men succeeded in reaching their lines.

Work on the approaches was being pushed by both Greene and Lee. Several batteries for cannon, one more than 20 feet high, had been raised within 140 yards of the Star. A rifle battery was constructed within 30 yards, to prevent the British from annoying the workmen of the besiegers. On Colonel Lee's front, approaches drew nearer and nearer to the stockade on the left of the stream from which the besieged obtained their supply of water. Firing along the front was almost incessant day and night; not a man could show his head without being fired upon.

About this time a countryman was seen riding along the American lines conversing familiarly with the officers and soldiers on duty. He was not regarded with suspicion, and was permitted to go wherever his curiosity led him. At length he reached the main road leading to the village, and putting spurs to his horse rushed with full speed into the town, receiving the ineffectual fire of the American sentinels and guards nearest to him, and holding up a letter in his hand to attract the attention of the garrison within the works. The demonstrations of joy with which this messenger was received made it evident to General Greene that he was the bearer of good news, which could be nothing other than that relief was being sent to the beleaguered force.

On the 2d of June a convoy of ships carrying three regiments from Cork had reached Charleston, and the newspaper of that date, announcing that a large fleet with powerful reinforcements for the Royal army had just anchored off the bar, was dispatched to General Greene, who received it on or before the 10th of the month. Now, that Greene interpreted the joyful demonstrations within the works as due to the promise of early relief for the garrison, it became necessary for him to strike a decisive blow without further delay. The message which had been received by Colonel Cruger was in fact from Lord Rawdon, giving information that he had passed Orangeburgh and was marching to raise the siege. This comforting information came none too soon to the beleaguered garrison, for on the 17th of June Lee's guns brought a concentrated fire upon the stockade beyond the rivulet so intense as to render it untenable, and that night the British evacuated this portion of the works. A well was dug in the Star, but no water was obtained, and naked Negroes, their black bodies indistinguishable at night from the fallen trees, were sent to the rivulet to secure an inadequate supply.

On the 18th of June the third parallel was completed close to the abatis in front of the Star. The Americans turned the abatis, drew out the pickets, and ran forward two approach trenches within 6 feet of the ditch surrounding the Star. On the American right, where Lee commanded, the trenches were now within 20 yards of the enemy's ditch. The siege operations had progressed to the point where an assault could be launched with every hope of success and delay could no longer be countenanced, as Greene knew definitely by this time that Rawdon was en route with superior numbers to raise the siege.

Dispositions were accordingly made by Greene to take the works on the 18th, and at noon of that day the assailing columns advanced on signal from the center battery. Colonel Lee, with his legion infantry, and Captain Kirkwood's light infantry, made the attack on the right. Colonel Campbell, with the First Maryland and the First Virginia Regi-

ments, attacked the Star. As the parapet of this work was about 12 feet high, with an additional 3 feet of sandbags, a detachment under Lieutenant Duvall of the Maryland line, and Lieutenant Selden, of the Virginia line, was sent against it to pull down the sandbags by the use of hooks, to enable the Americans to make a lodgment. American riflemen were posted upon the elevated battery to pick off the enemy wherever they appeared, while the Maryland and Virginia troops sustained the action by platoon fire from their trenches.

A furious cannonade was soon followed by the assailing columns rushing to their respective tasks. The troops on the right were exposed to the fire of a three-pounder and to musketry fire from the blockhouses in the village, but the British were driven out of their works on this front and Lee's men took possession. On the left the initial operations by Lieutenants Duvall and Selden did not meet with success. Their detachments entered the ditch surrounding the Star at different points, and Colonel Campbell stood prepared to support them. When the detachments succeeded in lowering the height of the parapet by pulling down the sandbags, Campbell's men were to rush through this partial breach and gain the interior of the fort.

The command of the Star was intrusted to Major Green, who well justified the confidence placed in him by Colonel Cruger. Not only had careful preparations been made to meet the assailants should they reach the parapet, but his men were impatient to sally from the works and meet the enemy on his own ground. Two parties of 30 men each were therefore organized, one under Captain Campbell, of the New Jersey Volunteers, and the other under Captain French, of Delancey's corps. These officers led their men from the sally port in the rear of the Star, and upon entering the ditch separated, one party passing through the ditch in one direction, the other taking the opposite direction. With their bayonets projected well to the front, they encircled the ditch until the Americans working on the sandbags were encountered. Here ensued a desperate conflict with Duvall's and Selden's men. The Americans, fighting not only with the enemy in the ditch but fired on by those overhead, gallantly sustained the unequal contest until both leaders became disabled by wounds, when they yielded and were driven back, with great loss, to the point of entry into the ditch. Finding the British defending their works with great obstinancy, and seeing but little prospect of succeeding without heavy loss, General Greene ordered a cessation of the attack.

The American losses during the entire siege amounted to 185 killed and wounded. The losses in the final action on the 18th of June, which lasted three-quarters of an hour, were about 40 killed and wounded. General Greene raised the siege upon the afternoon of the 19th, and on the morning of the 21st the reinforcements under Lord Rawdon made their appearance. The chivalrous conduct of all the participants in these siege operations gives a glamor to Ninety Six and Star Fort that is quite a happy contrast to the needless cruelties generally practiced by Whig and Tory partisan groups throughout the southern Provinces.

GEN. ANDREW PICKENS' MEMORIAL

It is proposed in H. R. 7543 to establish a national monument near Tamasee, in Oconee County, S. C., to be known as the "Gen. Andrew Pickens National Monument", in honor of the memory of one of South Carolina's greatest soldiers during the Revolutionary War. For 27 years General Pickens lived and died where it is proposed to erect this memorial, and where it is proposed to reconstruct and rebuild his old home for a museum. He came to this particular spot in 1794, after many turbulent years in command of Colonial soldiers in the war against the British for independence.

In securing information regarding the life and deeds of General Pickens I am deeply indebted to my friend, Col. R. T. Jaynes, of Walhalla, S. C. Colonel Jaynes, a gentleman and a scholar of the old school, is an outstanding authority on General Pickens, and is one of the best-versed men in South Carolina on the history of the upper section of the State.

In order to acquaint those who may be interested in General Pickens and this memorial, and with the permission of

Colonel Jaynes, I am going to quote from an address made by Colonel Jaynes in March 1932, at which time he was the principal speaker on a program dedicating a small monument to Gen. Andrew Pickens at the site where it is proposed to erect a national monument. This monument was erected by the Daughters of the American Revolution. On this occasion Colonel Jaynes said in part:

The lineage of him whose memory we honor here today (Gen. Andrew Pickens) traces back through the centuries to that sad procession of half a million of French Protestant refugees leaving France in the time of Louis XIV, exiles for liberty of religious opinion. Some found a temporary resting place in Scotland. Then came another sojourn in the north of Ireland, where his parents were born. Then an earnest longing for absolute liberty brought the Pickens family across the Atlantic to a settlement at Paxton, Pa., where on September 13, 1739, our hero first saw the light.

About the middle of the eighteenth century long wagon trains made their way southward to the Piedmont section of South Carolina. These overland settlers were what might be designated "Scotch-Irish." The Pickens family settled first at Old Waxhaws and later came to Long Cane, in what is now Abbeville County. Here Andrew spent his youth and early manhood in farming and hunting, in building up his physique and becoming a skilled marksman and frontiersman, in laying the practical foundation for the great career which was destined for him.

On March 19, 1765, he married Miss Rebecca Calhoun, daughter of Ezekiel Calhoun. During the War for Independence her devotion and fidelity to the patriot cause cheered her gallant husband through all those terrible years. What Marion was in the low country, and Sumter in the middle country, Pickens was in the upper country. When British troops had overrun the colony and held possession practically from Charleston to the mountains, these leaders kept alive the spirit of liberty, and their names will forever shine out in our history with increasing luster. It is a just criticism of historical writers that they have failed to give to General Pickens due credit for his service to his country. It is not possible to go into details on this occasion. As an instance, however, mention might be made of his part in the Battle of Cowpens, on January 17, 1781, justly regarded by historians as the second link (Kings Mountain, Oct. 7, 1780, being the first) in the chain of events that led to the surrender of Cornwallis at Yorktown on October 7, 1781. He was second in command to Gen. Daniel Morgan. At a critical moment he reformed the militia, thereby turning apparent defeat into probably the most brilliant victory won on any battlefield during the war. He thus enabled General Morgan, known as the "Old Wagoner", to crack his whip over Tarleton, who barely escaped capture and fled the field with the shattered remnant of his army in dismay and despair. The Seventy-first British Regiment surrendered as prisoners of war, its commander, McArthur, delivering his sword to Colonel Pickens. In recognition of his services he was voted to the rank of brigadier general by Governor Rutledge and raised a sword by Congress.

Mention should also be made of the Battle of Kettle Creek, in what is now Wilkes County, Ga., February 14, 1779. Here Colonel Pickens was the commanding officer. By a forced night march he overtook Colonel Boyd with superior forces and by a surprise attack won a decisive victory. These two battles alone show the mettle of which he was made and prove him to have been a military tactician of the highest order. He was also one of the leaders of the siege of Ninety Six, old Star Fort.

In 1794 General Pickens removed here with his family, where he acquired an estate of 1,237 acres. In the primeval forest he selected this site on which to erect his dwelling. Here he made his home for 27 years as a country gentleman, dispensing a gracious hospitality. This place was peculiarly interesting and attractive to him. Near by, in 1779, he fought the most desperate battle he ever engaged in with the Cherokees. But for this signal victory, South Carolina might have suffered a bloody Indian invasion far more terrible in its consequences than British or Tory warfare. But so completely subdued were they and brought under his control that in 1794 this was a safe and delightful retreat. The Indians, in their devotion to him, would bring their first offerings to him adorned in the highest style of Indian costume. Cannot we in imagination reconstruct here today one of these kindly visits, as these Red Sons of the forest came to pay homage to him, whom they delighted to call "Ski-Agunsta" (Great Chief)? Can't we hear the echo of their cry, as they came up this valley shouting, "Ski-Agunsta, Ski-Agunsta, Ski-Agunsta"?

Peace being restored, he helped to make secure the freedom which he had so signally helped to win in war. He was continually called to serve his country in various capacities. He was a member of the convention which framed our first State constitution. He served three terms in the legislature and one term in Congress. He was appointed by the United States Government to make the Treaty of Milledgeville, also the Treaty of Natches, and, indeed, almost all the treaties made with the southern Indians. When the crisis of 1812 with England arose, he was solicited to accept unanimous nomination as Governor of our State, which honor he declined on account of advancing years, believing that a younger man should serve.

He was also a surveyor. Probably his greatest task with the compass, tripod, and chain was the surveying of the boundary line between the States of North Carolina and Tennessee.

It is the enduring honor of these early patriots that more battles for American independence were fought on South Carolina soil than on that of any other State of the Union. Of the 137 battles and engagements fought in South Carolina, 103 were by South Carolinians alone; in 20 others, South Carolinians fought with troops from other States, leaving 14 in which troops from other States fought without assistance from her soldiers. These figures are taken from the list prepared by McCrady. Her sons lost by disease and in battle were 4,000 or more.

A northern historical writer has passed this judgment on South Carolinians in the Revolution: "To the women of South Carolina and to Marion, Sumter, and Pickens, who kept the field without the promise of men, money, or supplies, it was owing that the spirit and name of liberty did not become utterly extinct."

Of the character of Gen. Andrew Pickens little need be said. He was a farmer turned soldier and not a soldier turned farmer. From youth to age he was a firm believer in the Christian religion and an influential member of the Presbyterian Church. He loved his church and was a humble worshiper. In short, it can be truly said of him that he had courage without rashness; dignity without pride; religion without austerity. He had an abiding faith in an overruling Providence and carried the spirit of piety with him, both in his private life and in his public service. He was not narrow-minded nor bigoted. He was tolerant and his attitude toward all religions was one of broad sympathy.

Here in the red house, on this gently sloping eminence, he lived until August 11, 1817, when, full of years and honors, he laid his earthly armor by, sustained by the simple faith of the Christian religion, and passed on in the hope of a glorious immortality. His memory being revered for his long and distinguished service in both war and peace, it was most fitting that when the new district embracing this territory was founded in 1823 it should be given his name; and when Pickens district was divided in 1868 Pickens County took his name, which it will perpetuate as long as the flag which he followed on many hard-fought fields floats over the land of the free and the home of the brave.

HYDRO IN TROUBLE

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an editorial from the New York Sun.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WADSWORTH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the New York Sun:

HYDRO IN TROUBLE

The cause of public ownership of electrical utilities in the United States receives a genuine set-back as the American public begins to understand what is happening to the blue-ribbon baby of public ownership, the Hydro-Electric Commission of Ontario. That is the largest municipal supply system in the world, often held up as an example of what governmental operation can accomplish in the utility field. But its record indisputably shows that political management and an unsound economic basis can get the strongest of such institutions into trouble.

Theoretically the corporation exists for much the same purpose as that proposed for various "yardstick" enterprises in the United States—that of furnishing electrical current at low rates to consumers through public management and control. Actually it has added hundreds of millions of dollars to the public debt of Ontario which, on a per capita basis, scarcely can be said to compare favorably with that of New York or Quebec, where private management is the rule. To make things worse, its enemies offer to demonstrate that its rates for service are, on the average, higher than those of Quebec.

A crisis in its affairs came last week when the Provincial Legislature passed Premier Hepburn's bill declaring "illegal, void, and unenforceable" contracts for the purchase of power between the commission and certain private producers. Prior to 1929 the commission had contracted for 260,000 horsepower to meet increased demand which its own facilities were unable to supply. In that year it entered into contracts with three companies for 570,000 horsepower. But about that time demand began to fall off and the power load started down.

Since then the commission has found itself with an unmarketable surplus on hand and has been compelled to face heavy annual deficits. Critics of the commission assert that power on the Niagara part of the system alone costs the commission considerably more than it receives for it. Although consumption in Toronto, for instance, actually declined, cost there increased by around \$2,000,000. Rather than risk unpopularity by raising rates the commission began to dig into its reserves.

But this did not affect the mounting annual deficits which, according to Attorney General Roebuck, seem likely at present rates to reach \$4,000,000 in 1935 and \$7,000,000 in 1938. Meanwhile communities in Ontario using municipal power on which no tax is paid have found their burdens of debt steadily growing heavier. These would gladly use tax money from electrical services if they only could devise some means of collecting it.

As one way to help the commission out of its difficulties the Hepburn government, declaring that Hydro has been a "political tool", which was "nearly ruined by mismanagement and ineffi-

ciency", has resorted to the drastic expedient of repudiating contracts negotiated by an agency of the Government. Our own repudiation of the gold clause in Federal bonds estops us on this side of the border from raising any question as to the morality of this procedure. There are hints that Ontario may continue to take power at present prices from the companies affected, but the bondholders of those companies are greatly worried. Their main hope seems to be that some way may be found to export power to the United States.

This seems unlikely if the Power Authority and the Federal Power Commission see them first. Those bodies are committed to the theory that what the United States most needs is to develop new sources of electric power. It would not accord with this notion to find Canada eager to get rid of surplus power now available without necessity for developing the St. Lawrence seaway.

EXTENSION OF REMARKS

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks and to place in the RECORD a statement by Henry P. Fletcher to the Associated College Press on the Republican Party's Stand for Individual Opportunity and Security.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, where was the gentleman a moment ago when the gentleman from New York submitted his request?

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. TAYLOR of Colorado. Mr. Speaker, I understand the gentleman to say that he desires to extend his remarks by including a large quantity of Republican campaign material, and for that reason I shall have to object. I feel that we should not permit the RECORD to be encumbered by that kind of material so far in advance of the next campaign; and I hope someone will object to Democratic statements of that kind being put in the RECORD.

Mr. RICH. I am sure we will meet that request.

The SPEAKER. Objection is heard.

TREASURY AND POST OFFICE APPROPRIATION BILL, 1936

Mr. ARNOLD. Mr. Speaker, I call up the conference report on the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 10, 16, 20, 22, and 32.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 21, 26, and 27, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following:

"Salaries: For Commissioner of Accounts and Deposits and other personal services in the District of Columbia, including the Division of Bookkeeping and Warrants, \$285,920.

"DIVISION OF DISBURSEMENT

"Salaries and expenses: For personal services in the District of Columbia and in the field, stationery, travel, rental of equipment, and all other necessary miscellaneous and contingent expenses, \$710,700: *Provided*, That with the approval of the Director of the Bureau of the Budget there may be transferred to this appropriation from funds available for new activities or for the expansion of existing activities such sums as may be necessary to cover the additional expense incurred in performing the function of disbursement therefor."

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$261,668, of which \$8,000 shall be immediately available for the suppression of

an epidemic of typhus fever"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "540 inspectors, \$2,112,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$12,825,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$4,650,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$575,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In the matter inserted by said amendment strike out the word "hereafter" and insert in lieu thereof the following: "during the remainder of the fiscal year 1935 and during the fiscal year 1936"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 3, 4, 23, 24, 25, 33, and 34.

WILLIAM W. ARNOLD,

LOUIS LUDLOW,

JOHN J. BOYLAN,

WILLIAM J. GRANFIELD,

EMMET O'NEAL,

CLARENCE J. MCLEOD,

Managers on the part of the House.

CARTER GLASS,

KENNETH MCKELLAR,

PARK TRAMMELL,

FREDERICK STEIWER,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference as to each of such amendments, namely:

TREASURY DEPARTMENT

On no. 1: The Senate consolidated into a single appropriation unit the separate appropriations made by the House for the Office of Commissioner of Accounts and Deposits, the Division of Disbursements, and the Division of Bookkeeping and Warrants and increased the consolidated total by \$16,960 over the aggregate of the separate items passed by the House. The conference agreement retains the Division of Disbursement as a separate appropriation unit in the amount and in the phraseology as passed by the House and consolidates the Office of Commissioner of Accounts and Deposits and the Division of Bookkeeping and Warrants in a single appropriation increased by \$16,960 over the total of the two separate appropriations for these activities as passed by the House.

On no. 5: Strikes out, as proposed by the Senate, the limitation in the House bill on the number of passenger motor vehicles that might be maintained by the Coast Guard.

On nos. 6, 7, and 8, relating to the Secret Service Division: Increases from \$25,000 to \$57,000, as proposed by the Senate, the amount which may be expended for purchase of automobiles.

On no. 9: Makes available \$8,000, instead of \$10,000 as proposed by the Senate, of the appropriation for prevention of epidemic diseases by the Public Health Service, for the suppression of typhus fever.

On no. 10: Strikes out the appropriation of \$22,000, inserted by the Senate, for reestablishment of the Helena, Mont., assay office.

On no. 11: Makes a typographical correction.

On no. 12: Inserts the word "and", as proposed by the Senate, in lieu of the phrase "and/or" as proposed by the House.

POST OFFICE DEPARTMENT

On no. 13: Appropriates \$192,000 as proposed by the Senate, instead of \$191,000 as proposed by the House, for salaries. Office of the Chief Inspector, Post Office Department.

On no. 14: Appropriates \$39,260 as proposed by the Senate, instead of \$35,760 as proposed by the House, for salaries in the office of the purchasing agent of the Post Office Department.

On no. 15: Appropriates \$94,000, as proposed by the Senate, instead of \$92,380 as proposed by the House, for salaries, Bureau of Accounts, Post Office Department.

On no. 16: Appropriates \$875,000 as proposed by the House, instead of \$900,000 as proposed by the Senate, for printing and binding for the Post Office Department.

On no. 17: Provides for 5 additional postal inspectors instead of 15 additional as proposed by the Senate.

On no. 18: Appropriates \$55,000 as proposed by the Senate, instead of \$50,000 as proposed by the House, for payment of rewards for the detection, arrest, and conviction of post-office burglars.

On no. 19: Appropriates \$75,000 as proposed by the Senate, instead of \$65,000 as proposed by the House, for unusual conditions at post offices.

On no. 20: Appropriates \$1,595,000 as proposed by the House, instead of \$1,600,000 as proposed by the Senate, for village delivery service.

On no. 21: Appropriates \$52,500,000 as proposed by the Senate, instead of \$52,400,000 as proposed by the House, for salaries of railway mail clerks.

On no. 22: Appropriates \$3,250,000 as proposed by the House, instead of \$3,325,000 as proposed by the Senate, for travel allowance of railway postal clerks.

On no. 26: Provides, as proposed by the Senate, that the appropriation for balances due foreign countries shall be available for the payment of such balances during "prior fiscal years", instead of confining the appropriation to the fiscal year 1936 as proposed by the House bill.

On no. 27: Inserts the word "and" as proposed by the Senate, in lieu of the phrase "and/or" as provided in the House bill.

On no. 28: Appropriates \$12,825,000 for operating force of public buildings under the Post Office Department, in lieu of \$12,650,000 as proposed by the House and \$13,000,000 as proposed by the Senate.

On no. 29: Appropriates \$4,650,000, instead of \$4,700,000 as proposed by the Senate and \$4,600,000 as proposed by the House, for operating supplies of public buildings under the Post Office Department.

On no. 30: Appropriates \$575,000, instead of \$550,000 as proposed by the House and \$600,000 as proposed by the Senate, for furniture, etc., for public buildings under the Post Office Department.

On no. 31: Inserts the paragraph, proposed by the Senate, providing for payment of traveling expenses and the transportation of household effects of employees of the Division of Disbursement from one official station to another, modified so as to confine the effectiveness of the amendment hereafter to the remainder of the fiscal year 1935 and to the fiscal year 1936.

On no. 32: Strikes out section 4, inserted by the Senate, providing that no part of any appropriation contained in the bill should be used for personal services unless specifically authorized by law.

The committee of conference report in disagreement the following amendments of the Senate:

On no. 2: To provide authority for the Bureau of Internal Revenue to pay the cost of acquisition and maintenance of automobiles seized for violations of internal-revenue laws.

On no. 3: Relating to the concentration of distilled spirits in bonded warehouses.

On no. 4: Relating to the payment of certain employees in the Bureau of Customs, Bureau of Internal Revenue, Bureau of Narcotics, and Secret Service, who were deprived of pay commencing December 1, 1934, under the provisions of the so-called "McKellar amendment" to the appropriation for the Bureau of Internal Revenue in the Emergency Appropriation Act, fiscal year 1935.

On nos. 23, 24, and 25: Increasing from \$8,575,000 to \$10,575,000 the appropriation for foreign mail transportation and making the additional \$2,000,000 available for the transportation of mail across the Pacific Ocean between California and China.

On no. 33: Prohibiting the use of any money in the bill for the payment to any person for the filling of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of such person, or for the payment of an acting official whose name has been submitted to the Senate and withdrawn.

On no. 34: Correcting a section number.

WILLIAM W. ARNOLD,
LOUIS LUDLOW,
JOHN J. BOYLAN,
WILLIAM J. GRANFIELD,
EMMET O'NEAL,
CLARENCE J. MCLEOD,

Managers on the part of the House.

The Clerk read the statement.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Page 14, line 24, after "services;" insert: "Cost of acquisition and maintenance of automobiles seized for violations of internal-revenue laws delivered to the Secretary of the Treasury for use in administration of the law under his jurisdiction."

Mr. ARNOLD. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 16, line 5, after the word "violation", insert the following: "Provided further, That for the purpose of concentration, upon the initiation of the Commissioner of Industrial Alcohol and under regulations prescribed by him, distilled spirits may be removed from any internal-revenue bonded warehouse to any other such warehouse, and may be bottled in bond in any such warehouse before or after payment of the tax, and the Commissioner shall prescribe the form and penal sum of bond covering distilled spirits in internal-revenue bonded warehouses and in transit between such warehouses."

Mr. ARNOLD. Mr. Speaker, I move to recede and concur with the following amendment:

The Clerk read as follows:

Line 7, page 16, strike out the words "industrial alcohol" and insert in lieu thereof "Internal Revenue."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 16, after line 14, insert the following:

"That the proviso to the paragraph under the heading 'Bureau of Internal Revenue', contained in the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934, be amended to read as follows: 'Provided, That from and after May 15, 1935, no part of the appropriation made herein, or heretofore made, shall be used to pay the salaries of persons who were dropped from the service under the Executive Order Numbered 6166 of June 10, 1933, and reinstated, transferred, or promoted to positions in the Bureau of Industrial Alcohol, or in the Alcohol Tax Unit upon certificates issued by the Civil Service Commission between January 30, 1934, and May 10, 1934, unless such persons shall have passed an appropriate open competitive examination held by the Civil Service Commission after June 19, 1934, such persons being those who were separated from the service by Executive order of June 10, 1933, and who, under the terms of such order, were ineligible for reappointment unless such reappointments were made before December 10, 1933: *Provided further*, That inasmuch as the Treasury Department, under the advice of the Attorney General, has given the proviso referred to above a construction including other employees not intended by the Congress to be included in that proviso and advising the Treasury Department that it could retain such employees without pay, there is hereby appropriated for salaries from December 1, 1934, to May 15, 1935, both dates inclusive, in the offices as follows: Bureau of Customs, \$2,357.14; Bureau of Internal Revenue, \$1,367,006.91; Bureau of Narcotics, \$8,642.85; and Secret Service Division, \$7,857.14; in all, \$1,385,864.04; to pay all of said employees up to and including May 15, 1935: *Provided further*, That the employees, other than those heretofore designated, may be retained by the Treasury Department, but those designated in the first proviso hereof shall not be retained after May 15, 1935, by the Treasury Department unless they have passed an appropriate open competitive examination held by the Civil Service Commission after June 19, 1934, and, if retained, shall not be paid out of this appropriation or any other appropriation made by this act.'"

Mr. ARNOLD. Mr. Speaker, I move to recede and concur with the following amendment.

The Clerk read as follows:

In lieu of the matter inserted by said amendment, insert the following:

"That the proviso to the paragraph under the heading 'Bureau of Internal Revenue' contained in the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934, be amended to read as follows: 'Provided, That from and after May 15, 1935, no part of the appropriation made herein, or heretofore made, shall be used to pay the salaries of persons who were dropped from the service under the Executive Order No. 6166 of June 10, 1933, and reinstated, transferred, or promoted to positions in the Bureau of Industrial Alcohol, or in the Alcohol Tax Unit upon certificates issued by the Civil Service Commission between January 30, 1934, and May 10, 1934, unless such persons shall have passed an appropriate open competitive examination held by the Civil Service Commission after June 19, 1934, such persons being those who were separated from the service by Executive order of June 10, 1933, and who, under the terms of such order, were ineligible for reappointment unless such reappointments were made before December 10, 1933: *Provided further*, That inasmuch as the Treasury Department under the advice of the Attorney General, has given the proviso referred to above a construction including other employees not intended by the Congress to be included in that proviso and advising the Treasury Department that it could retain such employees without pay, there are hereby made available for salaries from December 1, 1934, to May 15, 1935, both dates inclusive, from the unexpended balances under the following titled appropriations, the sums, respectively, enumerated after each: "Collecting the revenue from customs, 1935", \$2,357.14; "Collecting the internal revenue, 1935", \$1,367,006.91; "Salaries and expenses, Bureau of Narcotics, 1935", \$8,642.85; and "Suppressing counterfeiting and other crimes, 1935", \$7,857.14; in all, \$1,385,-

864.04, to pay all of said employees up to and including May 15, 1935: *Provided further*, That the employees, other than those heretofore designated, may be retained by the Treasury Department, but those designated in the first proviso hereof shall not be retained after May 15, 1935, by the Treasury Department unless they pass an appropriate noncompetitive examination to be held by the Civil Service Commission and, if retained without having passed such noncompetitive examination, shall not be paid out of this appropriation or any other appropriation made by this act."

Mr. ARNOLD. Mr. Speaker, I may say to the House that this amendment deals with the controversial McKellar amendment that was placed on the deficiency bill of June 19, 1934, in the Senate. The amendment I now propose accepts the Senate amendment with some clarifying language and also with the provision that the pay of these employees in the Revenue Service shall be made out of the 1935 Appropriations. The Senate amendment makes a new appropriation for 1935 in the 1936 bill.

There is sufficient money in the 1935 appropriation to take care of all those employees who went off pay on the first of December, and it is not necessary at all to make a new appropriation.

You doubtless will recall that under the McKellar amendment a great many employees were separated from the service by reason of a very unusual open competitive civil-service examination. Each and every one of these men had a civil-service status which had been acquired by an open competitive civil-service examination prior to that time. Something like 500 of them who had civil-service status failed to qualify in that new examination. Those men have been in the service and have been performing their duties since the 1st day of December 1934, but have not been receiving any pay for the services performed by them. What we propose to do in this amendment is to pay these men who have been working since the first of December 1934, without salary, out of the 1935 appropriation. As to those who did not qualify in that open competitive examination—and I think it is generally conceded by everyone that that was a very unfair examination; more of an intelligence test than a test of qualifications for the particular service—they will be cut off the pay roll on the 15th of May unless they qualify by a noncompetitive examination, which the Civil Service Commission will conduct, with a view to ascertaining their fitness and their ability to perform the services in which they are engaged.

Those who do qualify under that noncompetitive examination will continue in the service of the Government and draw their pay as usual. The amendment was not intended to and does not apply to any employees who are not now on the rolls without pay. Those who do not qualify in that noncompetitive examination will naturally go off the pay roll. I make this statement so that the Membership here may understand the situation.

Mr. McLEOD. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. McLEOD. This is the group of people who were recommended by the Secretary of the Treasury to be continued in their status without any kind of examination? In other words, this is an agreement with the administration.

Mr. ARNOLD. This meets the approval of the Secretary of the Treasury.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. DIRKSEN. If I caught the date correctly, they will automatically go off the roll unless they requalify as of the 15th of May, 1935?

Mr. ARNOLD. Yes.

Mr. DIRKSEN. That is only 3 weeks from now, and assuming that another week will be consumed in getting this bill through conference and having it finally signed at the White House, that will leave the Civil Service Commission only 2 weeks in which to call that examination. Is it not likely that they might be foreclosed in their chance to stay on the pay roll?

Mr. ARNOLD. The time is rather short, as the gentleman says, but I have discussed this matter with the Civil Service Commission and also with the Treasury officials.

They are already making arrangements for this examination, and they do not have to advertise ahead of time, as in an open competitive examination. They tell me that they can hold these examinations within the time set, and permit those to qualify who are able to, without having to go off the pay roll after the 15th of May.

Mr. DIRKSEN. Would there be any particular objection to giving them an additional month, making it June 15, so that nothing would intervene to prevent their qualifying?

Mr. ARNOLD. We have had all kinds of difficulty with this matter and I do not think the waters ought to be muddied any more than they are. The Civil Service Commission say they can handle the situation by the 15th of May, and I think it would be much better to let the matter stand as it is.

Mr. PALMISANO. Mr. Speaker, what was the result of the civil-service examination that took place? Did they obtain sufficient men to fill these offices in that examination?

Mr. ARNOLD. Yes; there is an eligible list, but these men have been especially trained and equipped for this work, and to resort entirely to a new civil-service register would bring in new recruits who would have to be specially trained.

Mr. PALMISANO. This amendment is prepared purposely to take care of these men and rule out the men who are now eligible under the civil-service rules.

Mr. ARNOLD. Not necessarily. The noncompetitive examination will go right to the heart of the qualifications, and if they do not qualify they have to go off the pay roll.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. TABER. This amendment has been worked out in the way that the gentleman has presented it here after a long debate with the Senate conferees and it is the best the gentleman could do, everything considered.

Mr. ARNOLD. The gentleman is correct. I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I want to protest against a Department of Government ignoring the law. I want to protest against a lot of employees treating the law with indifference and ignoring it. This McKellar amendment should have caused 1,300 employees to be separated from the service on December 1 if the law of the United States had been obeyed.

When the McKellar amendment was passed by the Congress it ceased to be the McKellar amendment and became the law of the land, the law of the United States Government, and no Department head should have ignored and overridden it. The Department head said in effect, "Yes; it is true; the law has been passed, but you fellows work on here; we cannot pay you, but work on and I shall get Congress to annul its own law and pay you." That is what has been done. One Department head has seen fit to ignore a law passed by the Congress and has caused 1,300 employees to work for the Government without pay since December 1, assuming that he could get the Congress to annul its action and accord to his wishes. And he is now getting Congress to undo its own law and to obey him. That is what has been done. I am not in favor of doing that kind of business, although just now I am going along with my committee. But in the future Departments of this Government must understand that they cannot ignore and disobey laws passed by Congress.

The Senator from Tennessee, Mr. McKELLAR, is the Chairman of the Civil Service Committee in the United States Senate. As such chairman he had ascertained that there are six States and the District of Columbia which have more than their lawful quota of civil-service employees, to wit: the District of Columbia is entitled to 133, but in fact has 9,411. Virginia is entitled to 662, but in fact has 2,013. Maryland is entitled to 446, but in fact has 1,888. Massachusetts is entitled to 1,162, but in fact has 1,166. Utah is entitled to 139, but in fact has 143. Iowa is entitled to 676, but in fact has 739. Vermont is entitled to 98, but in fact has 118; and the remaining 42 States of this Nation are below their quotas, and nothing effective and worth while is being done by the

Civil Service Commission to correct these inequalities. And they should be corrected. Not another civil-service employee should be allocated to the District of Columbia and these 6 States having more than their lawful quotas until all of the other 42 States are treated justly and receive their lawful quotas.

Do you know how many civil-service employees have been employed here by the Government from the State of Tennessee? Four hundred and twenty-eight. From the great State of Tennessee only 428 have been able to get civil-service positions here with the Government, while Tennessee is entitled to 715 as its quota. Yet here in Washington, the District of Columbia, only 10 miles square, is entitled to only 133 employees as its quota, but in fact has 9,411 employees, or 9,278 more employees than it is entitled to, as against only 428 from the great State of Tennessee, the Speaker's State, if you please.

Over in Maryland, right next door, they did not get just 428 allotted to Tennessee, but the State of Maryland got 1,888 employees here through the Civil Service Commission, when it was entitled to only 446.

Mr. KRAMER. Will the gentleman yield?

Mr. BLANTON. I regret that I cannot yield at this time, as I do not want to use over the 5 minutes allotted to me.

Mr. KRAMER. How many are there from California?

Mr. BLANTON. California is entitled to 1,552, but has only 410, yet the District of Columbia here has 9,411. Please let me go ahead. I will print an authentic table for all States which I have just gotten from the Civil Service Commission. The chairman of the committee has been very kind to me, and I do not want to waste his time in discussing the number each State has received just now, but you can read it in the RECORD tomorrow.

Let me tell you about the other State that adjoins the Nation's capital, the great Commonwealth of Virginia,—my father's native State. Virginia is entitled to 662, but in fact has 2,013 employees, nearly 5 times as many as are from the Speaker's State of Tennessee. Let me read you this letter just received from the Civil Service Commission, and attached to it is a report showing exactly what has been done for each State—

Mr. BOYLAN. Will the gentleman yield?

Mr. BLANTON. I regret that I have not time to yield.

Mr. BOYLAN. What is the Speaker going to do about it?

Mr. BLANTON. I do not have time to yield for frivolity, but if he does what I am going to do about it, he is going to raise Cain with the Civil Service Commission, until these inequalities are stopped.

Mr. Speaker, I have here a letter from the Civil Service Commission, a short letter consisting of just 1 page, dated April 18, last Friday, giving some of these inequalities, attached to which is a 1-page report on all of the States. I ask unanimous consent to put the whole letter and report in the RECORD in connection with revising and extending my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The following is the letter from the Civil Service Commission:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., April 18, 1935.

HON. THOMAS L. BLANTON,

House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: I am glad to acknowledge receipt of your letter of April 10, and in compliance with the request contained therein I am forwarding herewith copy of a report on the condition of the apportionment at the close of business Monday, April 15, 1935. The States listed are entitled to apportioned appointments in the amounts set after their names on the basis of the total number of appointments as of the date of this report (Apr. 15, 1935), which total is 34,107. The following tabulation is given in connection with your inquiry regarding the particular States listed:

Appointments under the apportionment

	Entitled to—	Received
District of Columbia.....	133	9,411
Maryland.....	446	1,888
Virginia.....	662	2,013

Appointments under the apportionment—Continued

	Entitled to—	Received
Texas.....	1,593	500
Oklahoma.....	655	260
North Dakota.....	186	153
Utah.....	139	143
New Hampshire.....	127	117
New York.....	3,442	2,180
Tennessee.....	715	428

As you will note from the report, there are 7,249 employees from the several States occupying apportioned positions who are excluded from the apportionment under section 2 of Civil Service rule VII and the Attorney General's opinion of August 25, 1934. This total includes those persons entitled to military preference and those appointed through Executive order, or who have been exempted from the quota provisions by such order; also persons formerly in the apportioned service who have been reinstated.

If you desire any further information on this subject, the Commission will be glad to be of aid.

Very sincerely,

L. A. MOYER, Chief Examiner.

The following is the report accompanying the above letter:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C.

Condition of the apportionment at the close of business Monday,
Apr. 15, 1935¹

State	Entitled	Received
IN ARREARS		
1. Puerto Rico.....	422	24
2. Hawaii.....	101	12
3. California.....	1,552	410
4. Alaska.....	16	5
5. Texas.....	1,593	500
6. Arizona.....	119	47
7. Michigan.....	1,324	523
8. Louisiana.....	675	228
9. Oklahoma.....	655	260
10. New Jersey.....	1,105	441
11. Arkansas.....	507	234
12. Alabama.....	723	360
13. South Carolina.....	475	247
14. Mississippi.....	549	288
15. Georgia.....	795	443
16. Ohio.....	1,817	1,017
17. North Carolina.....	867	499
18. Wisconsin.....	804	475
19. New Mexico.....	116	69
20. Tennessee.....	715	428
21. Illinois.....	2,086	1,260
22. Connecticut.....	439	268
23. Oregon.....	261	164
24. New York.....	3,442	2,180
25. Nevada.....	25	17
26. Montana.....	147	100
27. Kentucky.....	715	493
28. Wyoming.....	62	43
29. Florida.....	401	302
30. Pennsylvania.....	2,633	2,080
31. Idaho.....	122	99
32. North Dakota.....	186	153
33. Washington.....	427	362
34. Indiana.....	885	777
35. Missouri.....	992	874
36. Kansas.....	514	461
37. Colorado.....	283	256
38. Minnesota.....	701	644
39. New Hampshire.....	127	117
40. Maine.....	218	207
41. Delaware.....	65	62
42. Nebraska.....	377	365
43. West Virginia.....	473	460
44. Rhode Island.....	188	184
45. South Dakota.....	189	188
IN EXCESS		
46. Massachusetts.....	1,162	1,166
47. Utah.....	139	143
48. Iowa.....	676	739
49. Vermont.....	98	118
50. Virginia.....	662	2,013
51. Maryland.....	446	1,888
52. District of Columbia.....	133	9,411

GAINS	
By appointments.....	60
By reinstatements.....	5
By transfer.....	68
By correction.....	2
Total.....	135

LOSSES	
By separation.....	45
By transfer.....	24
Total.....	69
Total appointments.....	34,107

¹ Quota filled, none.

NOTE.—Number of employees occupying apportioned positions who are excluded from the apportionment figures under sec. 2, rule VII, and the Attorney General's Opinion of Aug. 25, 1934, 7,249.

Mr. BLANTON. The foregoing letter will show you that there was some reason for this so-called "McKellar amendment." When the Congress passed that law to correct some of these inequalities the Civil Service Commission called for an examination, which was Nation-wide. It called for an examination to be held in California, in Texas, in New York, and everywhere else in the United States, and there were worthy people, efficient people, capable of holding these jobs, who had not had a chance at them before, who took that examination expecting employment when they passed it, and not a single one of them has been recognized by being placed on the eligible list. That examination was annulled. They do not have a chance to compete in the noncompetitive examination that under this bill is to occur between now and May 15. Your people out in California will not be given a chance to compete with these 1,300 employees here in Washington.

Mr. KRAMER. We do not have an opportunity.

Mr. BLANTON. Certainly not.

Mr. KRAMER. It is a lot of hokum.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. BLANTON. What chance have the constituents of my great Irish friend from New York, Mr. BOYLAN, to get any of these positions? Not a bit. It is a closed proposition to all but these 1,300 employees who are being cared for by this bill, and 500 of them failed to pass the examination.

Mr. BOYLAN. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BOYLAN. The gentleman knows that unless a course was followed, which was followed, the Government would have lost millions of dollars in revenue. There would be nobody with experience to collect it.

Mr. BLANTON. Oh, I have heard that before. But I have plenty of my constituents in Texas who could efficiently do the work.

Mr. BOYLAN. Furthermore—

Mr. BLANTON. I regret that I cannot yield further. I have only 2 minutes, and I do not want to use any more time.

Mr. BOYLAN. But the gentleman should wait until I finish. The gentleman said there were many who could not pass this examination.

Mr. BLANTON. Mr. Speaker, I do not want this interruption taken out of my time. I do not yield further. The gentleman from New York [Mr. BOYLAN] is an able, distinguished, and valuable Member, and has been here a long time, and he and I have worked hard here together, but if we should pass out tomorrow somebody would take our places and we would be gone and forgotten.

Mr. BOYLAN. We could never forget you. [Laughter and applause.]

Mr. BLANTON. Oh, but in all of our districts back home we can find just as worthy and efficient civil-service employees in New York, and in California, and in Texas, and in Tennessee, as you can here in Washington, Virginia, and Maryland. And an injustice is done all of them when we do not give them a competitive chance at these positions.

Mr. NICHOLS. Will the gentleman yield?

Mr. BLANTON. In a moment, I will. I am one of those here who is going to make a real fight from now on to see that the people back home in the 48 States away from Washington get a chance at these civil-service positions, so that the District of Columbia will not get 9,411 employees when it is entitled to only 133.

Mr. NICHOLS. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. NICHOLS. I just wondered if the gentleman's figures also showed the division between Democrats and Republicans.

Mr. BLANTON. Oh, no. That is impossible, because some change overnight. Here is the State of Texas, 900 miles across it east and west and 900 miles across it north and south. The State of Texas has only 500 employees as against 9,411 in the little District of Columbia, only 10 miles

square. If you Members want to stop these inequalities, give me a little help, and we will stop it.

The SPEAKER. The time of the gentleman from Texas [Mr. BLANTON] has again expired.

The question is on the motion of the gentleman from Illinois [Mr. ARNOLD].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent that amendments 23, 24, and 25 may be considered together. They all deal with the same subject matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

Amendment no. 23: On page 57, line 6, after the figures "1928" and the parenthesis, strike out "\$8,575,000" and insert in lieu thereof "\$10,575,000."

Amendment no. 24: On page 57, line 7, after the word "exceed", strike out "\$7,000,000" and insert in lieu thereof "\$9,000,000 (of which \$2,000,000 shall be available for the transportation of mail, including mail for island possessions and Territories of the United States, across the Pacific Ocean between California and China)."

Amendment no. 25: Page 57, line 14, strike out "\$7,000,000" and insert in lieu thereof "\$9,000,000."

Mr. ARNOLD. Mr. Speaker, I move that the House further insist on its disagreement to the Senate amendments.

Mrs. KAHN. Mr. Speaker, I submit a preferential motion.

The Clerk read as follows:

Mrs. KAHN moves that the House recede and concur in Senate amendments nos. 23, 24, and 25.

Mr. ARNOLD. Mr. Speaker, these three amendments have to do with the additional amount of \$2,000,000 that was inserted by the Senate from the floor by Senator McAdoo, of California. We took this matter up very carefully. We went over it and tried to work the matter out from the standpoint of the merits of the proposal. During the last few days there has been quite a little in the press about this experimental trip by air from San Francisco to Canton, China, first going to Honolulu, then to the Midway Island, then to Guam, and then to Manila, from where they will fly to Canton. There has been no estimate on this appropriation by the Bureau of the Budget. I contacted the Bureau of the Budget and asked them to give me such information as they could as to the merits of this proposal. They tell me that they have had no opportunity whatever to study the matter, and that it would take 2 or 3 weeks to make an investigation before they could determine whether or not they would make a recommendation for this additional amount.

I think perhaps the House generally understands that the greater portion of this amount for this new project of air mail from San Francisco to Canton, China, will be largely a subsidy. Your committee feels that we should not appropriate money for this purpose at this time in view of the fact that there has been no study and no investigation made of any consequence either by the Post Office Department, the Bureau of the Budget, by the House Committee on Appropriations, or by the Senate Committee on Appropriations; and no discussion of any consequence on the floor of the Senate at the time this amendment was offered and adopted.

Mr. BACON. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. In just a moment. When this amendment was proposed in the Senate it was said they would let it go to conference, and no information on the subject was there developed.

Now, here is what we propose to do—and I think it is the only proper thing to do under the circumstances: There will be another deficiency appropriation bill before this session of Congress adjourns; as a matter of fact, there will be two of them, I am informed by the Chairman of the Appropriations Committee. The money carried in this amendment is not available until the 1st of July. So we will have ample time between now and when the next deficiency appropriation bill is reported to this House to get some additional information and to enable the Post Office Department to

make some further study of the problem and to enable the Bureau of the Budget to make their decision and recommendation to the President for his consideration. I now yield to the gentleman from New York.

Mr. BACON. If we make this additional appropriation of \$2,000,000, it will not be used until the Post Office Department studies the situation. All we are doing is making it available for the Post Office Department to use if, after investigation, they see fit to go ahead with it. That is all we are doing by our action at this time; we are simply making it available for the Post Office Department to use if and when after proper study they so decide.

Mr. ARNOLD. But may I say to the gentleman from New York that it is entirely too big a proposition for this Congress to put \$2,000,000 in this item, two-thirds of which appropriation will be subsidy, without having some study made of the matter.

Mr. BACON. But they will be able to make the investigation before using any of this money.

Mr. ARNOLD. The Congress, however, ought to have something to say about this question of subsidy. I am not willing to impose this responsibility entirely upon the Postmaster General or on any one individual when it comes to a question of subsidy such as is involved here. The matter ought to be determined by Congress itself; and then if the Congress, after having all the information it is able to get in the meantime, decides to go ahead and make the appropriation, it will be entirely agreeable to me, and we shall have something on which to base our action. As it is now we do not have sufficient information.

Mrs. KAHN. Mr. Speaker, will the gentleman yield me some time on this amendment?

Mr. ARNOLD. I will a little later. I yield to the gentleman from New York.

Mr. BOYLAN. Mr. Speaker, I am rather surprised to hear the gentleman from New York [Mr. BACON], who is also a member of the Appropriations Committee, make the suggestion he has made of appropriating money without any investigation, without any research or hearing by the Bureau of the Budget or by any subcommittee of the Appropriations Committee. I think the chairman of the subcommittee has made a very fair and reasonable statement; and, furthermore, at the conference we permitted one of the Representatives from California [Mr. DOCKWEILER] to make a statement. At the conclusion of his remarks the House Members expressed themselves to be sympathetic to his views. We explained to him, however, that we would have the Bureau of the Budget go into the matter and, if they reported it favorably, we would be very glad to take it up in the next deficiency bill. This course was satisfactory to the gentleman from California, and he agreed with the procedure and thought it was correct.

Now, if we are going to make appropriations of two and more millions of dollars just by amendments from the floor, what is the use of having an Appropriations Committee? What is the use of having a Bureau of the Budget? These committees are your committees; you are not able to pass on these questions; you delegate to your committees who act as they feel the circumstances warrant, and submit their findings to you for your action. You all know, especially the Members of experience, that an appropriation bill cannot be written on the floor of the House, and written properly, any more than a tax bill can be written from the floor. They must have consideration, we must have orderly procedure, otherwise the result will be a hodge-podge instead of well-thought-out legislation.

So I say, therefore, the plan proposed by our chairman is eminently fair not only to the people of California, but to all who want this service, and we would be glad to give it to them if the circumstances show it should be inaugurated.

Mrs. KAHN. Will the gentleman yield?

Mr. BOYLAN. I yield to the gentlewoman from California.

Mrs. KAHN. Does the gentleman seem to think this service is going to be exclusively for California? Does he

not presume that the merchants of the city of New York are going to take advantage of a 5-day service from New York to Canton?

Mr. BOYLAN. Absolutely, and we want it, but we are satisfied to try and get it in an orderly way.

Mrs. KAHN. Does the gentleman think this is of benefit only to California?

Mr. BOYLAN. No, indeed; the whole country would benefit. We are glad to see the gentlewoman agitate this matter, but let us do it in a proper manner, and not try to pull it out of the air.

Mrs. KAHN. That is where we want it—in the air.

Mr. BOYLAN. We are in agreement, being both air-minded.

Mr. ARNOLD. Mr. Speaker, I yield 5 minutes to the gentlewoman from California [Mrs. KAHN].

Mrs. KAHN. Mr. Speaker, may I say just a word in reference to what this air line will mean to the whole of the United States? We know that the Postmaster has the right to call for bids for foreign mail under contract, but the appropriation without this extra \$2,000,000 will not allow him to consider new plans as promulgated by the Pan-American Airways for service across the Pacific.

Mr. Speaker, a route from San Francisco to Honolulu, to Wake, to Midway, to Guam, and on to Manila is now being considered, all under the American flag. From Manila to Canton there is a line controlled by the Pan American Airways. At Canton there is a Chinese Government-owned airway line controlling 3,000 miles of air lines into China. This is also being operated, manned, and run by Americans under a private contract with the Pan American line. So we will have an air line practically from San Francisco to Manila to Canton and all through China operated, owned, and run under the American flag and by Americans. What this will do to trade in this country is almost-beyond belief.

Mr. Speaker, may I read a paragraph from the magazine Aviation of March 1935.

Planted unobtrusively in an introductory paragraph of one of Pan American's traffic estimates for the project is a phrase worth rescuing from prospective oblivion. It might well serve as a motto on a division's insignia "The Orient" so runs the phrase, "need not be 3 weeks away." And, indeed, it won't be when the new division is under way—a convenient overnight service between San Francisco and Honolulu; a further service from Honolulu to Manila, of four daylight flights from Honolulu to Midway, Midway to Wake, Wake to Guam, Guam to Manila, respectively; connections with Hong Kong or Canton, with Java, with Japan will put the teeming markets of Asia within a week by air from any part of the United States, and make Hawaii in fact the southwest corner of the country. What the route will mean to the future of our trade relations, our tourist habits, our importance as a world power are generally beyond the scope of this present treatment. Needless to say, the potentialities are almost limitless. It takes 6 to 7 days to reach Hawaii from California on the average steamer, 14 days to Japan, 3 weeks to Manila, longer to the coast of Asia. Simply from a postal point of view, consider the gain to our commerce from substituting a 2-week mail and reply cycle for the 2 months it now takes for the average letter to reach China and the answer to return. American industry has been offered no such advantage in the China trade since the days when our sailing clippers dominated the trade routes of the world.

To show you that other countries of the world are not unmindful of what this oriental trade means, may I read what they are doing with reference to air lines?

The Imperial Airways now are operating from London to Paris, and Brindisi to Melbourne, via Singapore, and they have a projected extension from Singapore to Hong Kong.

France is operating from London to Marseilles to Saigon, via Italy, Greece, and India, and have a projected extension from Saigon to Canton.

All of the countries are making a bid for this enormous new oriental trade.

The Royal Dutch Air Lines are operating from London via Amsterdam to Rangoon and thence to Java and have a projected extension from Java to Manila, thence to China.

Russia is operating from Vladivostok to Moscow, clear across Asia. Their projections are unknown.

Germany is making a bid for the South American trade and is practically paralleling the Pan American Air Line which starts at Miami and goes down into South America.

These countries appreciate fully the advantages of this trade. As a means of national defense it is also invaluable, but my limited time will not permit my going into that phase.

Why put off this legislation? It is not mandatory, it leaves it to the discretion of the Postmaster General. Let us encourage these pioneers with more than words. Let us get behind them 100 percent, and give them the support to which they are entitled.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Speaker, we have heard for a long time that the Orient is destined to become the next great theater for American trade. Now comes the proposal to span the Pacific by airplane. May I say that in developing this air line the Pan American Co. itself is spending hundreds of thousands of dollars in developing landing places alone the route. In order to get the project going the Senate added an appropriation of \$2,000,000 to this bill.

Mr. Speaker, the objection is made that this is a subsidy. When we started our railroads back in the early days we subsidized them. When we started our steamship lines we subsidized them, and we are still doing so. When we started air lines down into South America we subsidized those lines, and we are doing that today. I ask in the name of common sense, with an opportunity to grasp one of the greatest trade opportunities that was ever presented to this Congress, that you appropriate this \$2,000,000 and give American business men an opportunity to develop their trade with the Orient on an equal basis with other countries. Here is an opportunity for this Congress to aid in a pioneering effort to take advantage of a tremendous trade-building opportunity. I trust you will vote for the appropriation of this \$2,000,000 in order to make it possible for this line to be started immediately so that other nations, eager to get a foothold, may not get established first.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Speaker, the question of this being a subsidy has been developed in general debate. A number of years ago Congress passed on this question by approving subsidies for air mail service. This is not a new venture; it is already covered in existing law by a broad, liberal statute pertaining to the development of foreign air mail service.

There is merit to the suggestion advanced by the committee that this matter be reserved at least temporarily for further study; but I make the point that it is an essential, necessary operation and should receive the approval of this Congress before we adjourn.

The reason for haste in this connection is that the nations of the world are engaged in a race for trade, and Germany, with her Zeppelins, Italy, with her squadrons, and France, with her flying boats, are already in competition with us for South and Central American trade.

America's foreign service began in 1927 with a ferry service from Key West to Cuba. In later years, by reason of our encouragement, it developed into a service that reached the West Indies and Central America. Today it puts us in touch with South America and brings us not only the good will that always results but business and commerce as well.

This is the only air line that has been constantly reducing its cost to us and at the same time increasing its revenues as a result of its operations. Pan American, a few years ago, acquired the Alaskan Air Line; recently it acquired control of the Chinese Air Line; and only a few weeks ago it sent a giant steamship, equipped with men and material, to acquire landing space and to build hangars, radio stations, and other facilities in Hawaii, in the Midway Islands, Wake Island, Guam, and Manila. This work is now under construction and the hangars and bases will be ready for operation on July 1.

This \$2,000,000 will be merely an authorization given to the Post Office Department, whom we can trust, and trust implicitly, because of its interest and concern about air mail, and unless the service meets with the Department's approval this money will not be spent.

However, I want to make this additional point: Before Congress adjourns this legislation should be adopted, because

unless we acquire these rights in foreign countries our competitors in the air, including Germany, France, and Italy, as well as other nations, will acquire them before we do. Just as the American clipper ships traversed the seven seas to the glory of the American sailor in the past, we should let the genius, the skill, and the courage of America's intrepid aviators conquer the skies and bring us commerce from the various nations of the Orient.

I think this is a movement in the right direction; I know the committee is in sympathy with it; and before the termination of this Congress it will become a reality. It is a splendid thing and something that should be accomplished.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I shall be pleased to yield.

Mr. ARNOLD. Does not the gentleman think it will be better to put the matter over until the next deficiency bill comes in, so we may have an opportunity to study it further?

Mr. MEAD. With the cooperation and support of the gentleman who represents the Subcommittee on the Post Office in the Appropriations Committee, realizing he is intensely interested in the matter, I feel that would be a safe proposition; but my attitude is that this plan should be adopted before the end of this Congress, so that America may become the pioneer in flying in China and in other sections of the world yet unconquered by any nation on earth. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Speaker, I am pleased to have an opportunity to support the motion of the gentleman from California to recede and concur in the Senate amendment.

I have listened with a great deal of interest to the able speech made by the Chairman of the Post Office Committee, the gentleman from New York [Mr. MEAD]. The gentleman correctly states that this action should be taken before the Congress adjourns. The Senate Committee on Appropriations has given this matter consideration and they have adopted it in the Senate.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. BACON. I yield.

Mr. ARNOLD. The gentleman certainly is in error, because the matter was never presented to the Appropriations Committee of the Senate.

Mr. BACON. I am informed, though, that they considered it before the conference committee met.

Mr. ARNOLD. The gentleman is in error. It was not presented to the Appropriations Committee of the Senate. The amendment was offered from the floor of the Senate and there was very little discussion of it.

Mr. BACON. Whatever the situation may have been in another body, they have acted with great vision, looking toward a future of peace and increased trade with the Orient.

The company that is now pioneering the trans-Pacific route is spending from \$1,500 to \$2,000 a day in this work. On the 15th of June there will be delivered to this company three large Martin planes, larger than the Sikorsky plane that went from San Francisco to Honolulu the other day in the record time of 17½ hours. I think every real American must have been thrilled by the monumental flight of this plane the other day, arriving as it did in Honolulu 55 minutes ahead of its schedule.

These three planes are to be delivered on the 15th of June. They are larger and faster planes than the pioneer plane that made this trip the other day. With these three planes delivered on the 15th of June, there is an excellent possibility and probability that by the first of July a weekly service can go out of San Francisco across the Pacific to Canton, China.

In addition to these 3 new Martin planes that will be delivered, there will also be delivered 3 new Sikorsky planes, shortly to be followed by 2 additional Sikorsky planes, all made and developed in this country. These new Martin planes and the Sikorsky planes are the finest commercial planes in the world today. This company is going ahead with courage and vision. Increased trade with the Orient

means as much to the State of New York and the East as it does to the State of California. This proposal will mean a lot to the United States. Anything we can do to help our export trade is worth doing.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BACON. I yield gladly to the gentleman from New York.

Mr. O'CONNOR. What I cannot understand is why the matter should be delayed if only this \$2,000,000 is to be made available and the Post Office Department would determine what to do in reference to a subsidy, if anything. I cannot understand why it cannot be done now just as well as later in the deficiency bill.

Mr. BACON. I think the gentleman is entirely right. This money will not be spent until after the Post Office Department has made a thorough investigation of the matter, until after bids have been called for and contracts let, and the amount involved is a maximum of only \$2,000,000 and if they go ahead with the proposal the amount that will be used will probably be less than \$2,000,000. The Senate is willing to act and it seems to me the House ought to have courage and vision to act now and should leave the matter with their own Post Office Department.

Mr. TAYLOR of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. BACON. I yield.

Mr. TAYLOR of South Carolina. Is there not this difference between acting now and postponing the matter? The postponement will give Congress a chance to review the merits of the report of the Department's investigation instead of leaving it to their discretion.

Mr. BACON. There may be something in that, but I hope we can act now because these pioneering Americans who are at this time developing this new air route will then have some encouragement and will know that their own Government will be behind them. If we delay the matter, there is always the chance that in the long run the plan may fail entirely.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Speaker, there is no lack of sympathy in the Committee on Appropriations for this proposition. We have no prejudice against it, but we have no information on which to base a conclusion because no information has been brought forth. Why should we go into the subject blindly, half-cocked, as it were? Why should the House rush into a commitment about which it knows nothing?

This proposition was popped into Congress in another body out of a clear sky, without estimates, without any evidence, without any investigation, without anything whatever to back it up. Never before was such an important proposition advanced without any official report or official information of any character to support it.

This is not an inconsequential matter. These contracts run for 10 years. Are we going into them and bind our Government to this annual subsidy without giving the Post Office Department an opportunity to investigate all of the facts and all of the elements involved so that a decision may be reached that will be in the public interest?

I understand the Post Office Department is agreeable to the postponement of this matter until they can investigate and decide by the time the deficiency bill is considered whether this proposed mail subsidy is advisable or not.

Congress has been trying to get out of subsidies. I do not know whether this one has merit or not. Owing to the utter lack of information no one knows whether or not it is advisable. I do know that in the case of the South American air mail they have been running 6 years at a total expense of \$7,000,000 per annum, and yet we have not been able to get away from a subsidy of about \$5,000,000 a year in that service.

I say that this proposition has not been adequately considered—in fact, it has not been even approximately considered, because the estimate is for \$2,000,000, and when you come to make a close calculation you will find that it

would only require \$1,820,000 a year on a basis of 52 round trips per annum. This shows a lack of the mature consideration that should be given to a matter of such importance.

The proposition, as already stated, has not had the slightest consideration, and no prejudice can be brought against it by letting it go over according to the understanding of the Post Office Department that it have a little more time for consideration. Let us not be rushed into a commitment for an air mail scheme that has not been digested and thought out to a conclusion, a scheme that may be all right but which at this time nobody really knows anything about. The wisest policy is to look before we leap.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am glad to see that the gentleman from Illinois [Mr. ARNOLD] and the gentleman from New York [Mr. BOYLAN] are now in accord with me on the proposition that we should have estimates from the Budget before we act on the appropriation.

This is a little different from the ordinary situation. I think I should tell the House what I know about the situation so that it may pass on it intelligently.

This matter came up as the result of an amendment by Senator McAdoo in the Senate on March 26, 1935—almost 1 month ago.

Personally, I do not like to see any appropriation made without an estimate from the Budget. I do not care to see any appropriation until we have a statement from the Department as to what is and what is not necessary before we act.

Notwithstanding 25 days have elapsed since this matter was put up to the Department, the Department has taken no action in passing on it, and there has been no submission of an estimate from the Budget.

I called up the assistant in charge, Mr. Harlee Branch, this morning and asked him what the situation was and what the Department's opinion was.

He told me that the Department had taken no position upon it, that it is a service that probably should be inaugurated, that the cost of it, based upon other items, on a mileage basis, would probably be \$35,000 a round trip, and once a week, 52 trips, would amount to \$1,820,000.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. ARNOLD. Mr. Speaker, I yield the gentleman 2 minutes more.

Mr. TABER. He further stated that the postage that would be realized from it, provided they used what he called prohibitory rates, running up to \$1 for service to China, 25 cents for Hawaii, and 50 cents or 75 cents for the Philippine Islands, would be \$600,000.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. TABER. I want first to finish the details. Further, that if the rates were fixed upon the same basis as South American rates with a maximum of 60 cents, the revenues would run up to about \$300,000. Frankly I believe we always should have an estimate from the Budget, but I believe that when an amendment comes up as this has come up, for a month, the Department ought to take some action upon it and give us the benefit of its advice as to what we ought to do. I have felt I ought to give the House the benefit of the information that I obtained from the Department this morning.

Mr. MEAD. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. MEAD. In the event the Senate disagrees with the action taken by the House, would the gentleman look with favor on a compromise that would appropriate \$1,000,000, because \$1,000,000 would be more than enough for a semi-monthly service rather than a weekly service. That would amount to about \$900,000, and a very liberal estimate of revenues resulting from that service would be around \$300,000. Therefore, at an expenditure of \$600,000, we could inaugurate this service if it was approved by the Post Office Department. I offer that as a suggestion.

Mr. TABER. I am not sure but that I would approve this just the way it stands, but I believe that as a general rule we should have budgetary propositions. However, I do feel that the Department ought to move in a month's time.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. ARNOLD. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. McFARLANE].

LET US SHOOT SQUARE WITH THE TAXPAYER AND REQUIRE EACH DIVISION OF THE POSTAL SERVICE TO PAY ITS OWN WAY

Mr. McFARLANE. Mr. Speaker, I think the committee is taking the correct attitude regarding the \$2,000,000 amendment added in the Senate for foreign air mail. I read the debate at the time the amendment was offered in the Senate. Very little, if any, debate was had upon it. No reason was given for its adoption. We have just now heard the only reasons that have come to light as to the necessity for an extension of this air mail service from San Francisco via Hawaii to Canton, China. We all know that second- and third- and fourth-class mail is being carried at a net loss, as shown from the following reports from the Post Office Department for the past 4 years:

	Revenue	Expenditure	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
First class:				
Fiscal year—				
1931.....	\$335,835,235.87	\$277,546,208.01	-----	\$58,289,027.86
1932.....	310,325,470.64	276,713,262.04	-----	33,612,208.60
1933.....	332,341,206.91	227,481,016.85	-----	104,860,190.06
1934.....	325,476,303.05	205,835,483.87	-----	119,640,819.18
Total.....	1,303,978,616.47	987,575,971.57	-----	316,402,645.70
Second class:				
Fiscal year—				
1931.....	27,471,247.67	124,145,865.60	\$96,674,617.93	-----
1932.....	23,149,305.44	125,293,596.27	102,144,290.83	-----
1933.....	19,837,184.18	108,040,146.55	88,202,962.37	-----
1934.....	21,204,194.48	98,827,422.42	77,623,227.94	-----
Total.....	91,661,931.77	456,307,030.84	364,645,199.07	-----
Third class:				
Fiscal year—				
1931.....	58,274,996.73	81,663,891.55	23,388,894.82	-----
1932.....	50,687,165.76	79,596,529.03	28,909,363.27	-----
1933.....	50,926,364.04	79,222,926.81	28,296,562.77	-----
1934.....	50,146,716.69	67,445,439.95	17,298,723.26	-----
Total.....	210,035,243.22	307,928,787.34	97,893,544.12	-----
Fourth class:				
Fiscal year—				
1931.....	138,135,806.79	158,167,406.60	20,031,599.81	-----
1932.....	113,580,337.21	146,296,604.57	32,716,267.36	-----
1933.....	100,236,271.27	132,250,673.18	32,014,401.91	-----
1934.....	101,904,677.10	120,962,632.17	19,057,955.07	-----
Total.....	453,857,092.37	557,676,316.52	103,820,224.15	-----

I hope the proper committees of the House will go into that matter and see if we cannot readjust those rates so that these rates can be taken care of and that this air mail subsidy will stop. Our losses on domestic and foreign air mail the past 4 years is as follows:

	Revenue	Expenditure	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
Domestic air mail:				
Fiscal year—				
1931.....	\$6,210,344.86	\$17,593,410.00	\$11,383,065.14	-----
1932.....	6,016,280.02	23,771,367.26	17,755,087.24	-----
1933.....	6,116,441.57	23,033,856.27	16,917,414.70	-----
1934.....	5,737,536.00	15,290,032.86	9,552,496.86	-----
Total.....	24,080,602.45	79,688,666.39	55,608,063.94	-----
Foreign air mail:				
Fiscal year—				
1931.....	780,422.27	6,564,858.17	5,784,435.90	-----
1932.....	1,075,352.34	7,165,576.41	6,090,224.07	-----
1933.....	942,584.52	7,166,053.90	6,223,469.38	-----
1934.....	1,290,804.83	7,200,603.84	5,909,799.01	-----
Total.....	4,088,163.96	28,097,092.42	24,007,928.36	-----

I think the committee has taken the proper attitude and I see no reason why we should extend further the losses to the American people in subsidizing big business to the Orient, to people who cannot pay their debts to us now. I do not see any reason why we should spend our good money in going after this character of business. [Applause.]

At this point, under the permission to extend my remarks, I insert the following:

First-class mail as shown from the above schedule of the Post Office Department has year after year shown a tremendous profit and it is the only service the Post Office Department renders that does not show a loss. Yet we find postal rates on first-class mail have been increased from 2 cents to 3 cents and although a gesture has been made toward returning first-class mail from 3 cents to 2 cents by the last Congress, in granting that privilege to local first-class mail, I believe that this Congress should not adjourn without reducing first-class mail rates from 3 cents to 2 cents.

SECOND-, THIRD-, AND FOURTH-CLASS MAIL

It is not treating the American taxpayer fairly in allowing rates on second-, third-, and fourth-class mail to remain as they are and thus to place this tremendous loss upon the poor people of the United States. If this Congress had the internal stamina to do its duty it would see to it that these rates are properly adjusted. Why should the large mail-order houses, chain stores, large daily newspapers, magazines, and so forth, of this country be allowed to retain their subsidy as above shown amounting to millions of dollars annually. The already overburdened taxpayer is not able to bear this expense.

DOMESTIC AND FOREIGN AIR MAIL

The same arguments that apply to losses suffered in carrying second-, third-, and fourth-class mail apply to the losses in carrying domestic and foreign air mail. Rates should be adjusted for these services so that those using these services pay the expense, otherwise the services should not be rendered. It is unfair to sandbag the employees of the Federal service, including those of the Postal Department, and reduce their salaries through consolidation and elimination, which has been going on at a rapid rate and yet permit these extravagant losses to be suffered as above shown without making proper adjustment in the rates charged for the services rendered.

THE REMEDY

If we will adjust our tariff schedules and will correct our medium of exchange we can deal fairly and justly with all people at home and abroad. We should meet this issue fairly and squarely, and not apply a poultice plaster when major monetary legislation is necessary.

Mr. ARNOLD. Mr. Speaker, I am asking the House to vote down the motion offered by the gentlewoman from California [Mrs. KAHN], and I am doing that simply for the purpose of getting some additional information on the matter and having that information in time so that it can be considered when the next deficiency appropriation bill is before the House. Personally I am friendly to the proposition. I do not want to get this matter in such shape that it might cause us serious trouble in the future. I suggest to the Membership of the House that they vote down the motion of the gentlewoman from California, and then that the House further insist upon its disagreement to the Senate amendment.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentlewoman from California that the House recede and concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. Ford of California) there were—ayes 45, noes 70.

So the motion was rejected.

The SPEAKER. The question now recurs on the motion of the gentleman from Illinois that the House further insist upon its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment numbered 33: Page 69, after line 18, insert a new section, as follows:

"Sec. 5. That no part of the money appropriated under this act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of said person, or for the payment of an acting official whose name has been submitted to the Senate and withdrawn."

Mr. ARNOLD. Mr. Speaker, I move that the House recede and concur with an amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment numbered 33: In lieu of the matter inserted by the Senate amendment, insert the following:

"Sec. 4. No part of the money appropriated under this act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of such person."

The SPEAKER. The question is on the motion of the gentleman from Illinois to recede and concur with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 34: Page 70, line 1, strike out the figure "4" and insert in lieu thereof the figure "6."

Mr. ARNOLD. Mr. Speaker, I move that the House recede from its disagreement with the Senate amendment no. 34 and agree to the same with the following amendment:

Strike out the figure "6" and insert in lieu thereof the figure "5."

The SPEAKER. The question is on the motion of the gentleman from Illinois to recede and concur with an amendment.

The motion was agreed to.

A motion to reconsider was laid on the table.

POWER PLANT PROJECTS, THE P. W. A. AND THE POWER TRUST

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include some excerpts.

The SPEAKER. Is there objection?

There was no objection.

Mr. McFARLANE. Mr. Speaker, electric power, its production, cost, and use, is the most vital as well as volatile question that is before us for solution; and whether we want to realize it or not, that question is now very much before us.

PRESIDENT ROOSEVELT ON MUNICIPAL OWNERSHIP OF POWER

President Roosevelt, in his many references made to this matter before and since his election to the Presidency, indicated our course; but for some reason we have not made the progress on P. W. A. power projects that we should have made.

While Governor of the great State of New York, Mr. Roosevelt sent many messages to that legislature about needed corrections in the matter of power rates as well as public statements made by him during that administration. In his book, *Looking Forward*, published March 1, 1933, at Hyde Park, N. Y., President Roosevelt says:

Let us be clear at the outset that the liberty of individuals to carry on business should not be abrogated unless the larger interests of the many are concerned. It is the purpose of government to see that not only the legitimate interests of the few are protected but the welfare and rights of the many are conserved.

Following that statement he says:

This, I take it, is sound government, not politics.

Further, on page 140, he says:

Power should be discussed in simple, honest terms so it could be understood by millions of our citizens, because, as the Federal Trade Commission has shown, a systematic, subtle, deliberate, and unprincipled campaign of misinformation, of propaganda, and if I may use the words, of lies and falsehoods.

On page 146 is found this statement:

In 1931 the electric, gas, telephone, and telegraph utilities collected from the people \$4,000,000,000.

I want to repeat that amount "\$4,000,000,000", the exact amount that this Congress voted to President Roosevelt for work relief.

On page 151 is found this purely democratic statement by President Roosevelt:

Where a community or district is not satisfied with the service rendered or the rates charged by a private utility, it has the undeniable right as one of its functions of government, one of its functions of home rule, to set up, after a fair referendum has been taken, its own governmentally owned and operated service.

In the Washington Star for December 19, 1934, in connection with the New York City municipal light project, the President is quoted as having said that the power question was largely a question of mathematics—a question of whether it is cheaper to buy from the private companies or construct one's own plant. In the same article Senator GEORGE W. NORRIS said the Executive already had the authority under existing public-works laws to loan money for construction of municipal power plants but that the fund was almost exhausted. Senator NORRIS is quoted further:

"I don't think this is a bluff either", Senator NORRIS added; "I think the President really means what he said."

Mayor LaGuardia was asked that if the municipal plant were authorized and the private companies then reduced their rates, would that affect his plans. His reply was:

I have heard those promises before, and I am not as gullible as I used to be.

PRESENT POWER RATES EXCESSIVE

Mr. Speaker, what I have said thus far is only a preface for what I now want to lay before this body in the interest of the vast majority of our people, something that is in direct line with the major program confronting this Congress, relief of distress resting so heavily upon our people.

Up to October 1929 the American people were taught by cunning, adroit propaganda to believe many fallacious things about the false prosperity they were then witnessing, one of which fallacies was that we should look up to the so-called "captains of industry" as the sole creators of that prosperity, and those so-called "captains of industry" threw out their chests, accepted the credit, and said, "Look what we did." One year later, when the depression was well under way but by no means at its height, these same so-called "captains of industry" could hardly be found, much less heard of, with their advice to young men about how to succeed in business and all such salubrious verbosity. And ever since then they have almost to a man closed up like clams and crawled into their shells. At least, they have not attempted to tell us until just recently how to get out of the depression. All they are now doing is criticize President Roosevelt, the House, or the Senate, but not a word about a constructive, definite, tangible program to get out of this mess that they and their kind brought upon the people. It is true they and their kind do offer some things that they say should be done, but those things are simply measures that will help them to hold their death grip of profits, with which they have now almost strangled the very life out of American business.

POWER TRUST RECOGNIZES NO PARTY

We Democrats have for several generations accused the Republican Party of being the party of the predatory rich, but recent administrations have proven that the predatory rich have no party. They use all parties and play all ends against the middle, and this statement is not a criticism against the present administration; in fact, it is a warning to good Democrats in this Congress and out of it to come to the rescue of our President, and not only the President but our party, before it is prostituted, ruined, and taken over for the private profit of such "big business" interests as the Power Trust utilities.

President Roosevelt has stated his position, as I have quoted from his book, *Looking Forward*, where he said, "Let us be clear at the outset." He is perfectly willing and anxious that business, both large and small, shall have their just and legitimate rights fully protected, but he has with equal force stated that the rights of the many must be conserved, and this cannot be done if these gigantic combinations are to continue thwarting the plans of our President, this Congress, and the various departments and administrations set up for relief.

MUNICIPAL OWNERSHIP THE ONLY WEAPON THE POWER TRUST FEARS

Almost every city in America should own its own electric light and power plant. If there is a man in this Congress that does not know that this is a fact, I think the people of his district have made a mistake in sending him here. One may have been denied the opportunity of receiving, or for some other reason may not have received, these facts, and he is excusable for not being in possession of those facts, but he is not excusable if he continues to stay in ignorance of them, because they are all readily available if he will take the time to read the reports of the Federal Trade Commission or other reports on the findings of that very valuable Commission.

Before going into the matter of how the people are bilked and plundered by these Power Trust pirates with their holding company, false bookkeeping to fool the public, and various other means of fraud, I want to make known a few things that have been going on in the Public Works Administration that may have escaped your attention. It did mine until only recently.

I refer particularly, specifically, and directly to the manner in which the Public Works Administration has handled applications for P. W. A. funds filed by municipalities for the purpose of constructing light plants. I insert at this point a letter just received from the Federal Emergency Administration of Public Works, including the list of municipal

power-plant applications in which I believe we are interested:

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS,
Washington, D. C., April 27, 1935.

Hon. W. D. McFARLANE,

House of Representatives, Washington, D. C.

MY DEAR MR. McFARLANE: Attached herewith is the list of municipal power-plant applications which you requested in your letter of April 16. You will note that the projects are arranged according to the following headings:

Non-Federal approved applications for power projects—completed or under construction.

Approved applications for power projects—construction not started.

Non-Federal applications for power projects—under study.

Non-Federal applications for power projects—rejections.

Non-Federal applications for power projects—rescinds.

Non-Federal applications for power projects—transfers.

Non-Federal applications for power projects—withdrawals.

Non-Federal applications for power projects—superseded.

In connection with the rejected applications, we have analyzed each project and indicated by code the grounds on which it failed of approval by the Public Works Administration.

Sincerely yours,

LEONA B. GRAHAM,
Special Assistant, for the Administrator.

Attachment.

[Division of Economics and Statistics]

Tabulation no. 635. Description: Applications for power projects; seven parts; through date of April 20, 1935; date tabulated, April 24, 1935; non-Federal projects; copy A standard wiring no. special.

PUBLIC WORKS ADMINISTRATION

Non-Federal approved applications for power projects, status 8 and 9, completed or under construction

State	Docket no.	Location	Type	Date received	Date approved	Key	Date started	Allotment	Expenditures	Contracts
California	2659	Anaheim	Electric distribution	November 1933	Nov. 29, 1933	1	Jan. 19, 1934	\$15,000	\$56,614	\$52,163
Colorado	8808	Fort Morgan	Electric plant	April 1933	June 20, 1934	1	Jan. 22, 1935	23,500	1,707	73,737
Florida	702	Port Pierce	do	August 1933	Aug. 2, 1933	2	Aug. 2, 1933	36,000		7,914
Illinois	759	Springfield	do	September 1933	Sept. 19, 1933	1	Oct. 6, 1933	51,500	61,371	170,678
Do	6162	Lockport	Water power	February 1934	June 20, 1934	1	Nov. 29, 1934	230,000	43,873	708,632
Do	6970	Highland	Electric plant	do	do	1	Oct. 15, 1934	25,000	10,859	94,023
Indiana	3959	Columbia City	Generator	December 1933	Dec. 28, 1933	1	Mar. 19, 1934	29,000	105,384	94,858
Iowa	2346	Lawler	Electric distributor	November 1933	Nov. 23, 1933	1	Aug. 22, 1933	1,400	3,878	3,888
Do	5421	Independence	Diesel engine	January 1934	Apr. 4, 1934	1	Aug. 21, 1934	18,400	3,292	49,268
Kansas	2117A	See 2117	Electric plant	March 1934	do					
Do	2117	Chanute	Power equipment	October 1933	Nov. 2, 1933	1	Mar. 5, 1934	29,500	115,328	101,072
Do	3286	Anthony	Generator	November 1933	Dec. 28, 1933	1	Aug. 23, 1934	15,000	74,959	58,800
Do	3906	Butler County	Diesel engine	December 1933	Dec. 28, 1933	1	Feb. 14, 1934	6,000	17,398	17,220
Do	4677	McPherson	Electric plant	do	Feb. 7, 1934	1	July 2, 1934	58,000	46,273	12,410
Massachusetts	960	Boston	do	September 1933	Feb. 21, 1934	1	Apr. 11, 1934	120,000	184,770	319,670
Do	1027	Northampton	do	do	Oct. 17, 1933	1	Apr. 4, 1934	101,000	148,437	334,195
Do	1275	Waltham	Transmission line	October 1933	Oct. 19, 1933	1	Apr. 20, 1934	3,500	9,539	8,431
Do	4642	Harding	Electric plant	December 1933	Feb. 28, 1934	1	Mar. 4, 1935	62,500		129,360
Minnesota	1198	Blue Earth	do	October 1933	Oct. 27, 1933	1	Feb. 17, 1934	30,500	116,666	111,231
Do	1198A	See 1198	do	June 1934	do					
Do	1484A	See 1484	Power equipment	May 1934	Dec. 21, 1933				36,959	97,785
Do	5119	Austin	Generator	January 1934	Apr. 11, 1934	1	July 24, 1934	46,000	143,200	154,394
Do	5622	Litchfield	Diesel engine	do	Mar. 21, 1934	1	Apr. 24, 1934	18,000	58,870	57,423
Missouri	2427	Kennett	Electric plant	November 1933	Jan. 23, 1934	2	Mar. 3, 1935	160,000		150,773
Do	2772	California	do	do	Dec. 28, 1933	2	Aug. 7, 1934	145,000	81,540	138,293
Do	2893	Monroe City	do	do	June 20, 1934	1	Oct. 29, 1934	17,000	43,332	51,727
Do	5846	Hannibal	do	January 1934	do	1	Feb. 28, 1935	81,000	12	212,055
Do	5964	Independence	Power improvement	do	do	1	Feb. 11, 1935	52,500	417	107,804
Nebraska	573	Gothenburg	Water power	August 1933	Nov. 2, 1933	2	Sept. 18, 1934	7,500,000	336,452	3,781,888
Do	665	Columbus	do	September 1933	Nov. 14, 1933	2	Oct. 15, 1934	7,300,000	59,218	1,643,503
Do	3553	Minden	Diesel engine	December 1933	Dec. 28, 1933	1	Aug. 25, 1934	8,000	18,390	23,993
Do	4082	Hastings	Electric plant	do	Jan. 11, 1934	1	Nov. 6, 1934	48,600	57,886	134,498
Ohio	966	Shelby	Generator	September 1933	Oct. 27, 1933	2	Apr. 18, 1934	184,000	152,750	177,202
Oklahoma	2392	Pawnee	Electric plant	November 1933	Dec. 28, 1933	2	Nov. 12, 1934	60,000	33,000	61,425
Do	2962	Blackwell	Power improvement	November 1934	Dec. 12, 1933	1	Jan. 22, 1934	300	1,152	1,152
Do	6142	Loyal	Transmission line	February 1934	June 20, 1934	2	Feb. 26, 1935	7,100		5,850
Pennsylvania	1482	Chambersburg	Generator	October 1933	Oct. 31, 1933	1	July 30, 1934	26,100	63,722	84,767
Do	1482A	See 1482	do	March 1934	do					
South Carolina	3972	Greenwood County	Water power	December 1933	July 18, 1934	2	Apr. 8, 1935	2,852,000		494,810
Tennessee	3289	Knox County	Electric distribution	November 1933	Dec. 28, 1933	2	Mar. 7, 1935	2,600,000		197,575
Texas	341	Pecos	Water power	August 1933	Oct. 10, 1933	2	Mar. 25, 1934	2,600,000	158,629	1,667,330
Utah	8857	Murray	Electric plant	April 1934	Aug. 23, 1934	2	Oct. 30, 1934	33,000	25,589	26,453
Virginia	925	Culpeper	do	September 1933	Nov. 9, 1933	2	Dec. 11, 1933	160,000	153,833	142,440
Do	1544	Danville	Electric distribution	October 1933	Mar. 7, 1934	1	Oct. 30, 1934	5,500	12,376	18,000
Wisconsin	1616	Hartford	Power equipment	do	Dec. 26, 1933	1	Dec. 19, 1934	14,200	26,550	46,178
Total								24,774,100	2,464,223	11,824,857

Approved applications for power projects, status 2 through 7, construction not started

State	Docket no.	Location	Type	Date received	Date approved	Key	Allotment
Alabama	3124	Sheffield	Electric distribution	November 1933	Nov. 23, 1933	2	\$230,000
Do	3125	Tuscumbia	do	do	do	2	130,000
Do	4259	Florence	do	December 1933	Jan. 9, 1934	2	436,000
Do	6587	Decatur	Electric distribution	February 1934	Aug. 15, 1934	2	350,000
Arizona	9061	Navajo County	Water power	June 1934	Aug. 23, 1934	2	148,000
Arkansas	4197	Osceola	Electric plant	December 1933	June 20, 1934	1	15,000
California	5731	Lodi	do	January 1934	Mar. 27, 1935	2	600,000
Colorado	1692	Fort Collins	do	October 1933	Nov. 2, 1933	2	738,000
Georgia	2194	Augusta	Water power	do	Dec. 28, 1933	2	1,250,000

¹ 1 grant only. 2 loan and grant.

Approved applications for power projects, status 2 through 7, construction not started—Continued

State	Docket no.	Location	Type	Date received	Date approved	Key	Allotment
Illinois	3970	Cave in Rock	Electric distribution	December 1933	Aug. 15, 1934	2	\$23,000
Do.	6955	Centralia	Electric plant	February 1934	June 20, 1934	2	477,000
Indiana	2520	Tipton	do	November 1933	Dec. 28, 1933	1	60,000
Iowa	5831	Lamoni	do	January 1934	Dec. 19, 1934	2	97,000
Kansas	2143	Burlington	do	October 1933	Jan. 16, 1934	2	145,000
Do.	7490	Herington	Power equipment	March 1934	June 20, 1934	1	3,500
Kentucky	309	Middlesboro	Electric plant	August 1933	Dec. 7, 1933	2	328,000
Louisiana	1995	Alexandria	do	October 1933	Dec. 28, 1933	2	250,000
Michigan	2601	Allegan	Water power	November 1933	Nov. 29, 1933	2	410,000
Missouri	2718	Concordia	Electric plant	do	Dec. 28, 1933	2	47,000
Do.	4652	Trenton	do	December 1933	June 20, 1934	2	315,000
Do.	4806	La Plata	do	January 1934	July 18, 1934	2	100,000
Nebraska	3709	Beatrice	Electricity distribution	December 1933	Nov. 7, 1934	2	575,000
New Jersey	2955	Essex Co.	Electric plant	November 1933	Dec. 12, 1934	2	125,000
New York	6394	Auburn	do	February 1934	June 20, 1934	2	319,000
Do.	6472	Rockville Center	do	do	do	1	78,000
Do.	7255	Ocean Beach	do	March 1934	Dec. 26, 1934	2	75,000
North Carolina	6178	Fayetteville	Electricity distribution	February 1934	June 20, 1934	1	10,000
Ohio	3412	Hiram	Electric plant	November 1933	June 20, 1934	2	32,500
Do.	3504	Wapakoneta	do	December 1933	do	2	146,000
Do.	3945	Columbus	Generator	do	Dec. 19, 1934	1	320,000
Do.	8634	Edgerton	Electric plant	April 1934	Mar. 27, 1935	2	60,000
Do.	9227	Dover	Power equipment	June 1934	do	2	225,000
Oklahoma	1620	Cushing	Electric plant	October 1933	Dec. 14, 1933	2	350,000
Do.	1820	Hominy	Electric distribution	do	Mar. 21, 1934	2	150,000
Do.	5810	Frederick	Electric plant	January 1934	Dec. 26, 1934	2	136,000
Pennsylvania	7479	Bethlehem	Electric distribution	March 1934	Mar. 27, 1935	2	115,000
Texas	380	Burnet County	Water power	August 1933	May 24, 1934	3	4,500,000
Do.	8021	Plainview	Electric plant	March 1934	Mar. 27, 1935	2	423,346
Vermont	5063	Burlington	do	January 1934	Feb. 1, 1934	1	74,000
Washington	4634	Spokane	do	December 1933	Dec. 26, 1934	2	625,000
Alaska	6279	Seward	do	February 1934	June 20, 1934	2	118,000
Total							14,609,346

Non-Federal applications for power projects, under study

State	Docket no.	Location	Type	Date received	Key ¹	Requested amount
Alabama	6648	Muscle Shoals	Electric distribution	February 1934	2	\$16,000
Do.	7341	Guntersville	do	March 1934	2	304,900
Do.	7403	Oneonta	do	do	2	72,000
Do.	7512	Tarrant City	do	do	2	154,000
Do.	7664	Enterprise	do	do	2	177,200
Do.	7665	Cottonwood	do	do	2	54,000
Do.	7667	Harrell	do	do	3	51,700
Do.	7677	Bessemer	do	do	2	636,000
Arkansas	5005	Paragould	do	January 1934	2	173,000
Do.	6204	Carver	Water power	February 1934	3	1,682,000
Do.	8663	England	Electric distribution	April 1934	2	108,800
Do.	8980	Stuttgart	do	May 1934	2	225,000
Do.	9030	Springdale	Power plant	do	2	135,000
California	5555	Escondido	Electric distribution	January 1934	2	200,000
Do.	5625	Montebello	do	do	3	400,000
Do.	6672	Sonoma County	Electric plant	February 1934	3	250,000
Do.	7030	California State	Water power	do	2	99,000,000
Do.	7030A	Part of 7030	do	do	2	58,652,000
Colorado	3554	Basalt	do	December 1933	2	35,000
Do.	4134	LaSalle	Electric distribution	do	2	60,000
Do.	5321	Delta	do	January 1934	2	205,000
Florida	4446	Mount Dora	Power	December 1933	2	70,000
Do.	6242	Frost Proof	Electric distribution	February 1934	2	110,000
Do.	9200	Maccleenny	Electric plant	June 1934	2	125,000
Georgia	7558	Rochelle	Electric distribution	March 1934	2	57,500
Do.	8428	Rhine	Electric plant	April 1934	2	24,900
Do.	8438	Baxley	Power plant	do	2	89,600
Idaho	3904	Idaho Falls	Electric distribution	December 1933	2	345,000
Do.	7709	Mackay	Power	March 1934	2	31,400
Illinois	3898	Carbondale	Electric plant	December 1933	2	375,000
Do.	3953	O'Fallon	do	do	2	145,000
Do.	5869	Eldorado	do	January 1934	2	240,000
Do.	6674	Mill Shoals	Electric distribution	February 1934	2	12,491
Do.	6676	Liberty	do	do	2	7,221
Do.	6715	Springerton	do	do	2	6,217
Do.	7721	West Frankfort	Power plant	March 1934	2	680,000
Do.	8179	Collinsville	do	do	1	128,000
Do.	8206	Jacksonville	Electric plant	do	2	420,000
Do.	8396	Sparta	do	April 1934	2	177,800
Do.	8735	Petersburg	do	do	2	160,000
Do.	8820	Aledo City	Electric distribution	do	2	76,700
Indiana	7135	Mishawaka	do	March 1934	2	570,000
Do.	7157	Morristown	Electric plant	do	2	50,000
Iowa	7185	Winfield	do	do	2	76,500
Do.	7460	Hampton	Electric distribution	do	1	51,000
Do.	8141	Oskaloosa	Electric plant	do	2	461,200
Kansas	3286A	Anthony	Generator	February 1935	1	
Do.	5264	Washington	Electric plant	January 1934	2	88,000
Do.	8610	Phillipsburg	Electric distribution	April 1934	2	120,500
Do.	9005	Webber	do	May 1934	2	4,000
Louisiana	5333	East Feliciana	do	January 1934	2	48,800
Do.	8522	Port Allen	do	April 1934	2	245,000
Do.	9186	Glenmore	do	June 1934	2	65,000
Do.	9211	Kaplan	do	do	2	65,000
Do.	9301	Deridder	do	July 1934	2	190,500
Do.	9345	Lake PROVIDEN	do	do	2	11,000
Do.	9354	Mamou	do	do	2	55,000
Maine	1641	Eastport	Diesel engineering	October 1933	3	43,000,000
Michigan	191	Bessemer	Electric distribution	August 1933	3	135,000
Do.	5995	Dowagiac	do	January 1934	2	260,000
Do.	7307	Tecumseh	do	March 1934	2	166,000
Do.	9401	Sturgis	Power equipment	July 1934	2	12,700

¹ 1 grant only. 2 loan and grant.

Non-Federal applications for power projects, under study—Continued

State	Docket no.	Location	Type	Date received	Key	Requested amount
Minnesota	8134	Cass Lake	Electric distribution	March 1934	2	\$91,000
Do	8135	Staples	Electric plant	do	2	97,500
Do	9624	Rochester	Power improvement	February 1935	1	29,742
Missouri	4072	Stanberry	Electric distribution	December 1933	2	98,000
Do	4243	Fredericktown	do	do	2	132,500
Do	4508	Licking	do	do	2	29,200
Do	4608	Summersville	do	do	2	21,500
Do	5181	Perry	do	January 1934	2	67,900
Do	6822	Liberal	do	February 1934	2	31,400
Do	8464	Phelps County	Electric plant	April 1934	3	8,750,000
Do	8519	Anderson	do	do	2	56,000
Montana	7944	Forsyth	Electric distribution	March 1934	2	135,000
Nebraska	1751	State of Nebraska	Power, water	October 1933	2	2,116,890
Nevada	8468	Washoe County	Dam	April 1934	2	1,500,000
Do	9628	Lincoln County	Electric distribution	February 1935	3	1,500,000
New Jersey	8207	Lakeland	Electric plant	March 1934	2	390,000
New York	7264	North Tarrytown	do	do	2	106,400
North Carolina	906	La Grange	Municipal improvement	February 1934	2	20,000
Do	5578	Lexington	Power equipment	January 1934	2	645,000
Do	7249	Belhaven	Electric plant	March 1934	2	50,000
Do	8345	Lincolnton	do	April 1934	3	6,750,000
North Dakota	216	Jamestown	Power heat	February 1934	2	657,000
Do	2608	Enderlin	Electric plant	November 1933	2	101,000
Do	6725	Walhalla	do	February 1934	2	49,000
Do	6743	Crosby	do	do	2	82,600
Do	6785	Lidgerwood	do	do	2	89,000
Do	6797	Devils Lake	do	do	2	422,800
Do	6804	Leeds	do	do	2	50,000
Do	6817	Jamestown	Power heat	do	2	657,000
Ohio	4593	Kenton	Electric plant	December 1933	2	442,900
Do	5879	Cuyhoga Falls	do	January 1934	2	402,000
Do	5880	Defiance	do	do	2	342,000
Do	7004	Sandusky	do	February 1934	2	1,649,000
Do	8639	Williamsburg	Electric distribution	April 1934	2	66,000
Do	8694	New London	do	do	2	37,100
Do	9535	Greenfield	Power improvement	August 1934	2	75,000
Oklahoma	6947	Mooreland	Electric plant	February 1934	1	12,500
Do	6965	Pauls Valley	Electric distribution	do	2	200,000
Do	7210	Wynnewood	Electric plant	March 1934	2	65,000
Do	7470	Norman	do	do	2	482,200
Do	8451	Woodward	Electric distribution	April 1934	2	293,000
Do	8708	Eldorado	do	do	2	25,000
Do	8709	Shawnee	do	do	2	175,000
Do	8941	Eufaula	Electric plant	do	2	122,700
Do	8945	Erick	Electric distribution	do	2	85,000
Do	8949	Temple	do	do	2	60,000
Do	8989	Morris	Electric plant	May 1934	2	112,000
Oregon	420	Portland	Water power	September 1933	3	7,350
Do	8260	Bandon	Electric plant	April 1934	2	52,800
Pennsylvania	7832	Huntingdon County	do	March 1934	2	40,000
Do	7878	Pen Argyl	do	do	2	20,000
Do	7892	East Pittsburgh	do	do	2	353,000
Do	7969	Fleetwood	Electric distribution	do	2	148,000
South Carolina	5814	West Minister	Electric plant	January 1934	2	110,000
Do	6419	South Carolina State	Electric distribution	February 1934	2	5,902,900
Do	7281	Spartanburg	Electric plant	March 1934	2	651,800
South Dakota	6006	Elk Point	Electric distribution	January 1934	2	25,000
Tennessee	5449	Lewisburg	do	do	2	167,000
Do	6697	Columbia	Electric plant	February 1934	2	430,000
Do	6647	Hamilton	Electric distribution	do	2	105,200
Do	6756	San Angelo	Electric plant	do	2	879,500
Do	6855	Marlin	do	do	2	175,000
Do	8253	Big Wells	Electric distribution	April 1934	2	30,100
Do	8259	San Saba	do	do	2	71,000
Do	8367	Lubbock	Power improvement	do	2	100,000
Do	9125	Spearman	Electric plant	June 1934	2	89,900
Do	9292	Wink	Diesel engine	July 1934	2	39,600
Do	9312	Liberty	Electric plant	do	2	114,800
Do	9399	Goose Creek	Electric distribution	do	2	123,800
Do	9441	Booker	Electric plant	do	2	30,000
Do	9630	Wichita Falls	do	February 1935	3	2,220,000
Utah	2788	Loa	do	November 1933	3	5,000
Do	8618	Orderville	Water power	April 1934	3	41,000
Do	8644	Tropic	Electric distribution	do	2	32,000
Virginia	1151	Danville	Electric plant	September 1933	2	3,000,000
Do	6999	Galax	do	February 1934	2	365,600
Do	7105	Covington	do	March 1934	2	462,400
Do	7465	Marion	do	do	2	221,000
Washington	1136	Seattle	Water power	September 1933	2	25,792,000
Do	1681	Columbia River	Dam	October 1933	3	63,000,000
Do	8034	Wenatchee Valley	Electric distribution	March 1934	2	1,425,627
Wisconsin	1616A	Hartford	Electric plant	October 1934	1	2,200
Do	5071	Merrillan	do	January 1934	2	21,000
Do	7336	Altoona	do	March 1934	2	177,500
Do	7517	Milwaukee	do	do	2	14,820,000
Wyoming	4655	Lyman	Diesel engine	December 1933	3	12,000
Do	5373	Powell	Electric distribution	January 1934	3	12,000
Do	5997	Park County	Transportation line	do	2	85,000
Puerto Rico	263	San Juan	Power improvement	August 1933	2	300,000
Total						362,612,533

Non-Federal applications for power projects, rejections

Reasons for rejection	State	Docket no.	Location	Type	Date received	Key ¹	Amount requested
6	Alabama	110	Elba	Electric plant	August 1933	3	\$20,000
1	Do	5084	Andalusia	Electric distribution	January 1934	2	214,000
2	California	354	Susanville	Power plant	August 1933	3	300,000
1	Florida	554	Fort Meade	Power	September 1933	3	3,383
6	Do	2593	Jacksonville	Electric distribution	November 1933	2	512,000
6	Georgia	201	Eatonton	Power plant	August 1933	3	60,000
1	Do	3625	Waycross	Water power	December 1933	2	137,000
1	Do	5658	Lakeland	Electric plant	January 1934	2	161,961
1	Idaho	544	Murtough	Hydroelectric	September 1933	3	3,574,322
1	Illinois	5857	Urbana	Electric distribution	January 1934	2	650,000
3	Indiana	371	Brazil	Electric plant	August 1933	3	555,000
2	Iowa	2869	Ramse	do	November 1933	1	20,100
2	Do	3048	Muscatine	Power improvement	do	2	70,000
6	Michigan	7970	Detroit	Electric distribution	March 1934	2	1,500,000
3	Minnesota	3818	St. James	Electric plant	December 1933	2	110,000
1	Mississippi	4291	Lexington	Electric distribution	do	2	100,000
1	Missouri	1542	Sullivan	do	October 1933	2	85,000
1	Do	2927	New London	Electric plant	November 1933	2	45,000
4	Do	4138	Cape Girardeau	Electric distribution	December 1933	2	685,200
1	Do	4579	Owensville	do	do	2	89,000
1	Do	5263	Weston	do	January 1934	2	67,400
1	Do	5414	Pattonsburg	Electric plant	do	2	67,400
1	Do	5893	Ava	Generator	do	2	59,000
1	Do	6843	Seymour	Electric distributor	February 1934	2	45,000
1	Nebraska	2042	Gering	Electric plant	October 1933	2	72,000
2	Do	8240	Sutton	Power improvement	March 1934	2	1,800
1	Do	8646	Peru	Electric plant	April 1934	2	37,500
1	Ohio	6886	Bradford	do	February 1934	2	83,800
1	Oklahoma	6191	Claremore	do	do	3	150,000
1	Do	7049	Wetumka	Electric distributor	March 1934	2	23,000
1	Do	7472	Stigler	Electric plant	do	2	65,000
1	Do	8486	Mutual	Electric distributor	April 1934	2	14,000
2	Oregon	5873	Eugene	Electric plant	January 1934	1	12,000,000
4	Do	8574	Portland	Electric distributor	April 1934	2	3,313,000
6	Pennsylvania	4078	Bradford	Electric plant	December 1933	2	1,175,000
6	South Carolina	3577	Parler	Electric distributor	do	2	8,500
1	Tennessee	6000	Cookeville	do	January 1934	2	40,000
1	Texas	9109	Fort Worth	do	June 1934	2	2,228,000
6	Utah	1399	Heber City	do	October 1933	2	13,700
1	Do	8876	Hatch Tow	Water power	April 1934	2	29,400
6	Virginia	7610	Crewe	Electric plant	March 1934	2	125,000
6	West Virginia	7053	Circleville	do	do	2	20,000
6	Wyoming	6738	Albin	do	February 1934	2	30,000
2	Alaska	6990	Seward	do	do	3	30,000
	Total						28,591,466

¹ 1 grant only. 2 loan and grant.

Key to reasons for rejections: 1. Loan requested not reasonably secured. 2. Ineligible. 3. Bonds defeated. 4. Project unnecessary and not socially desirable. 5. Applicant lacks legal authority to issue bonds offered as security for loan. 6. Applicant failed to submit requested data.

Non-Federal applications for power projects

RESCINDS

State	Docket no.	Location	Type	Date received	Key ¹	Amount requested
Alabama	5182	Waterloo	Electric distribution	January 1934	2	\$9,100
Arkansas	1740	Conway	Power	October 1933	2	45,000
California	1539	San Francisco	Electric plant	do	1	1,637,350
Illinois	6708	North Chicago	Electric distribution	February 1934	2	425,000
Do	8205	Naperville	Electric plant	March 1934	2	80,700
Indiana	3844	Edinburg	Electric distribution	December 1933	2	80,000
Do	4947	Brooklyn	do	January 1934	2	11,100
Iowa	5340	Sibley	Power improvement	do	2	26,300
Do	7738	Iowa City	Electric plant	March 1934	2	917,000
Kansas	5322	Osawatomie	Water works	January 1934	2	84,300
Michigan	2837	Grand Haven	Electric plant	November 1933	2	95,000
Minnesota	1060	Thief River Falls	Electric distribution	September 1933	1	16,000
Do	2247	Preston	do	October 1933	2	22,000
Do	4716	Moorhead	Power improvement	December 1933	1	23,900
Do	6058	Worthington	Generator	January 1934	1	27,400
Do	6266	St. Paul	Electric plant	February 1934	2	133,500
Do	6796	Thief River Falls	Power improvement	do	1	4,800
Do	8619	St. Cloud	Electric plant	April 1934	2	1,249,000
Missouri	1877	Moberly	do	October 1933	2	700,000
Do	5095	Memphis	do	January 1934	1	8,300
Do	5240	Mount Vernon	Electric distribution	do	1	7,100
Do	6083	Laclede	do	do	2	16,000
Do	8466	Farmington	do	April 1934	2	137,000
New Jersey	6800	Camden	Electric plant	February 1934	2	6,000,000
New York	4357	Wellsville	do	December 1933	2	85,000
Ohio	5125	Montpelier	Power equipment	January 1934	1	10,500
Oklahoma	2679	Chandler	Electric plant	November 1933	2	130,000
Do	6958	Okeene	do	February 1934	2	47,200
Oregon	309	Ore State	Manufacturing plant	November 1933	3	106,500
Utah	305	Fairview	Water power	August 1933	3	9,000
Vermont	5096	Ludlow	Electric distribution	January 1934	1	1,300
Wisconsin	6799	Two Rivers	Electric plant	February 1934	2	172,300
Do	7232	Stoughton	do	March 1934	1	39,000
Total						12,376,650

TRANSFERS

Kentucky	3168	Columbus	Electric distribution	November 1933	2	\$3,000
Total						3,000

¹ 1 grant only. 2 loan and grant.

Non-Federal applications for power projects, withdrawals

State	Docket no.	Location	Type	Date received	Key ¹	Amount requested
Alabama	5104	Dothan	Power plant	January 1934	2	\$224, 600
Arizona	7792	Tucson	Electric distribution	March 1934	2	500, 000
Do	8659	Mesa	Electric plant	April 1934	2	133, 700
Arkansas	541	Clarksville	Power plant	September 1933	3	15, 000
Do	3571	Rector	Electric plant	December 1933	2	70, 600
Do	8773	Arkansas City	do	April 1934	2	34, 700
Colorado	230	Lafayette	do	August 1933	3	75, 000
Do	617	Basalt	Power plant	September 1933	3	33, 000
Florida	116	Vero Beach	Power	August 1933	3	55, 000
Georgia	490	Tallulah	Water power	do	3	170, 000
Illinois	3796	Chester	Electric plant	December 1933	2	158, 800
Do	4619	Chicago	Steam plant	do	2	10, 750, 000
Indiana	626	Peru	Power equipment	September 1933	3	75, 000
Iowa	2324	Cornling	Electric plant	November 1933	2	144, 200
Do	4184	Gowrie	Electric distribution	December 1933	2	80, 000
Do	4721	Onawa	Electric plant	do	1	12, 400
Do	7193	Villisca	Electric distribution	March 1934	2	113, 400
Do	7258	Manning	Electric plant	do	1	28, 400
Do	7485	Wellman	Electric distribution	do	1	24, 000
Kansas	1343	Kansas City	do	October 1933	2	608, 000
Do	4314	Russell	Electric plant	December 1933	2	67, 500
Do	7301	Strong	Electric distribution	March 1934	2	53, 000
Louisiana	16	Morgan City	do	August 1933	3	175, 000
Michigan	129	Allegan	Electric plant	do	3	370, 000
Do	131	Wyandotte	do	do	3	175, 000
Minnesota	163	Moose Lake	do	do	3	28, 000
Do	3503	Grove City	Electric distribution	December 1933	2	6, 000
Do	7736	Morris	do	March 1934	2	188, 000
Mississippi	7504	Corinth	do	do	2	113, 900
Missouri	1593	St. Charles	Electric plant	October 1933	2	350, 000
Do	2694	Belton	Electric distribution	November 1933	2	60, 000
Do	3103	Macon	Generator	do	2	178, 000
Do	3394	Potosi	Electric plant	do	2	64, 000
Do	4950	Higginsville	do	January 1934	1	2, 100
Do	5913	Bloomfield	do	do	2	56, 200
Do	6060	Advance	do	do	2	35, 400
Do	8358	Monett	do	April 1934	2	148, 500
Do	8497	Thayer	do	do	2	110, 000
Do	8524	Centralia	do	do	2	58, 800
Nebraska	141	Ainsworth	do	August 1933	3	100, 000
Do	294	Mitchell	Power plant	do	3	50, 000
Do	430	Gering	Municipal improvement	September 1933	3	90, 000
Do	464	St. Edward	Electric plant	do	3	72, 000
Do	7937	McCook	Electric distribution	March 1934	2	330, 000
New Jersey	606	Trenton	Electric plant	September 1933	3	99, 000, 000
Do	606A	Part of 606	do	do	3	31, 000, 000
Do	2841	Clinton	do	November 1933	2	95, 000
New Mexico	6911	Roswell	do	February 1934	2	670, 000
North Carolina	290	Fayetteville	do	August 1933	3	450, 000
Do	6202	Kinston	Electric distribution	February 1934	2	25, 800
Ohio	6771	Larue	Electric plant	do		
Oklahoma	2945	Muskogee	do	November 1933	2	1, 260, 000
Do	7418	Geary	do	March 1934	2	75, 000
Oregon	5686	Blachly	Electric distribution	April 1934	2	43, 800
Pennsylvania	342	Olyphant	Power improvement	November 1933	3	100, 000
South Carolina	4867	Calhoun County	Electric distribution	January 1934	3	18, 000
Do	7731	Rock Hill	Electric plant	March 1934	2	529, 400
Texas	9329	Austin	Electric distribution	July 1934	2	350, 000
Do	9447	Elgin	Electric plant	do	2	108, 000
Virginia	307	Covington	do	August 1933	3	370, 000
Do	479	Danville	do	September 1933	3	2, 500, 000
Alaska	2516	Alaska	do	November 1933	3	3, 000, 000
Total						155, 682, 200

¹ 1 grant only. 2 loan and grant.

Non-Federal applications for power projects, superseded

State	Docket no.	Location	Type	Date received
Alabama	2979	See 3124	Electric distribution	November 1933.
Do	2996	See 3125	do	Do.
Florida	325	See 9017	Water power	August 1933.
Georgia	260	See 2194	Power	Do.
Kentucky	643	See 3168	Electric distribution	October 1933.
Missouri	115	See 8497	Electric plant	August 1933.
New Jersey	9077	See 8207	do	June 1934.
North Carolina	320	See 5578	do	August 1933.
Ohio	403	See 7606	do	September 1933.
Texas	5640	See 6756	do	January 1934.
West Virginia	584	See 7053	do	September 1933.

I believe that in my opening remarks, with the quotations from President Roosevelt, I have shown that by his statements he is for the principle of municipal ownership of light and power plants wherever and whenever the municipality can profit by the operation of their own plant as against private ownership and operation. If I am wrong or if the papers have misquoted him, I am sure he will correct me; but until he does we must assume that this is a fact.

Of all the municipalities that have made application to the Public Works Administration, surely many of them met the requirements as laid down by President Roosevelt that would make them eligible for P. W. A. loan and grant, but

when I found that out of the several hundred applications filed, totaling more than \$612,935,380, that only \$3,292,100, not taking into consideration \$20,482,000 allotted for water power, had thus far been completed or under construction, I determined right then to look into the matter further, for I believe in municipal ownership of light and power for my own home town and for all other towns and cities.

Many of our cities have taken our President at his word early in his administration and applied for P. W. A. funds with which to build a municipal plant, not simply for the benefits to be derived in reduced rates only, but in the greater matter of keeping the thousands and millions of dollars

spent for legitimate costs of electricity at home, rather than having those millions sent to New York City to the national offices of the power holding companies. Let me illustrate what I mean by this statement.

WHAT ARE REASONABLE POWER RATES?

In Fort Worth, Tex., the electric operating company charges a top rate of about 6 cents per kilowatt-hour, which, unreasonably high as it is, is much less than is charged by other companies in other places. The reason I say "unreasonably high" is because it has been definitely and conclusively proven that under anything like normal or average conditions throughout America electricity can be produced in almost every town at approximately three-quarters of 1 cent per kilowatt and can be distributed under reasonable or average conditions at a total cost of 2 cents per kilowatt. In proof of this, the city of Cleveland, Ohio, has been selling electric current at a top rate of 3 cents per kilowatt-hour for nearly 20 years, paying for its plant out of earnings and making a big profit besides. And the Cleveland plant has always operated in sharp competition with a big private company and had but part of the business in the city.

THE TEXAS ELECTRIC SERVICE CO.

This Texas producing company, which charged 6 cents top rate in 1932, made a net profit of approximately \$1,740,000, and out of that sent approximately \$1,350,000 to the Electric Bond & Share Co. and its intermediate holding companies. This shows that only about \$300,000 stayed in Texas out of the net profit to appease the preferred stockholders and the bondholders of the operating company.

Please be reminded that the common stock of these utility companies is all that participates in the profits. The preferred stock and bonds are nothing more than a representation of money advanced or loaned to the company on a specific guaranty of 5- or 6-percent interest return, "if the company makes that much." Those who bought the preferred stock and bonds of these legitimate operating companies have done nothing more than loaned them the money with which they have bought the existing properties and paid for the operation of them so the holding company common-stock holders could make these outlandish profits. The Texas Electric Service Co. in my State has six million common stock, of which 5,998,000 shares are owned by the holding company. In that same operating company there is about six million of obligations in preferred stock and bonds. So you can see the people who have been inveigled into buying the preferred and bonds pay for the whole thing and get 5 and 6 percent, maybe and the New York Shylocks get from 15 percent to as high as 96.8 percent—see page 905, parts 23 and 34, Federal Trade Commission Reports—on their actual investment. And this is how that comes about: The Texas Electric Service Co., which made nearly \$2,000,000 profit in 1932, was purchased about 13 years ago by the American Power & Light Co., which is owned by the Electric Bond & Share Co., for about \$3,000,000, and is now valued at over \$68,000,000.

The purchase price at that time, we must assume, was actually put up by these holding companies and covered all of the properties that existed in that territory at that time. The additions and extensions since then have been paid for by the "suckers" who bought the preferred stock and bonds. Do not ever think these New York boys use their money to buy anything but "profits"; they let the "dear people" buy the properties for them.

I do not know what this company now values their properties at, because they even increase their values annually by claiming their expense account is added capital, but a year or so ago they valued them at about sixty-eight million. These properties that they had paid three million for only about 13 years ago, and the dear people had built onto and added the increased values for them, showing an increase in values of about 2,250 percent profit.

All through the Federal Trade Commission reports one finds that the annual profits from the monthly light and power bills paid by the public run from reasonable returns

to most unreasonable rates of profit, as illustrated by the following:

[From the Federal Trade Commission reports, pts. 23 and 24]

Profit of the American Power & Light Co. derived from subsidiaries:	
	Percent
Kansas Gas & Electric Co.	3.76
Portland Gas & Coke Co.	43.3
Southwestern Power & Light Co., Inc., New York	51.86
Florida Power & Light Co.	54.00
Minnesota Power & Light Co.	10.6
Nebraska Power & Light Co.	96.8
Average	26.00

There is no excuse for anyone remaining in ignorance of the facts regarding this most gigantic of all swindles perpetrated upon the American people, which has now reached the proportion that will make this Congress and this administration the laughing stock of the Nation if we do not remedy the situation.

MUNICIPAL POWER PLANTS HAVE MADE GOOD RECORD

In the United States there are some 65 municipalities that are free of taxes for local government expenses as a result of owning their public utilities and about half the cities in this country now own their own light and power plants. About the only cities in this country that are in excellent shape financially are those who own their revenue-producing utilities.

POWER TRUST LOBBY ACTIVITIES

The Wheeler-Rayburn holding-company bill furnishes a good example of the limits to which this power octopus has its tentacles wrapped around our governmental affairs. Every Congressman and Senator, as well as the President, has received thousands of the Power Trust propaganda letters opposing that bill, and I regret to say that from the weakening support that is coming out for the bill it looks like the Power Trust propaganda is convincing some committee members that they should do what their own conscience surely tells them they should not do.

The President's stand on that bill is again in line with his previous commitments on this power issue, and again I say that there is no excuse for any Member of this or future Congresses being ignorant of the facts in this issue as disclosed in the findings of the investigation carried on by the Federal Trade Commission.

POWER TRUST PYRAMIDS

I have prepared some extracts from the Federal Trade Commission report, Senate Documents No. 92 and 213, Sixty-eighth Congress, second session, that I will refer to briefly. This shows the pyramid of ownership vested in the Electric Bond & Share Co., the biggest of all the holding companies, which owns, or did at that time, about eight other holding companies, who in turn owned numerous operating companies, but these ownerships change rapidly, due to stock juggling, tax dodging, and various other "high-financing methods" to swindle the public. They change, however, in form only, not in principle for the basic object of holding companies is to swindle and deceive.

No. 1, owned by Electric Bond & Share is American Power & Light Co., which in turn owns the following: Citizens Power & Light Co., Council Bluffs, Iowa; Central Arizona Light & Power Co., Phoenix, Ariz.; Consumers Water Co., Miami, Fla.; Crystal Ice & Cold Storage Co., Dallas, Tex.; Eagle Pass Water Co., Eagle Pass, Tex.; Florida Power & Light Co., Miami, Fla.; Fort Worth Power & Light Co., Fort Worth, Tex.; Helena Gas & Electric Co., Helena, Mont.; Kansas Gas & Electric Co., Wichita, Kans.; Miami Beach Railway Co., Miami, Fla.; Miami Water Co., Miami, Fla.; Minnesota Power & Light Co., Duluth, Minn.; Missoula Public Service Co., Missoula, Mont.; Montana Power Co., Butte, Mont.; Nebraska Power Co., Omaha, Nebr.; Northern Power Co., Superior, Wis.; Northwestern Electric Co., Portland, Ore.; Pacific Power & Light Co., Portland, Ore.; Portland Gas & Coke Co., Portland, Ore.; St. Augustine Co., St. Augustine, Fla.; Texas Electric Service Co., Fort Worth, Tex.; Texas Power & Light Co., Dallas, Tex.; Texas Public Utilities Corporation, Dallas, Tex.; Washington Water Power Co., Spokane, Wash.

THE GOLD DUST TWINS

There are 24 companies listed by the Federal Trade Commission as being owned by the American Power & Light Co., which is in turn owned almost 100 percent by the Electric Bond & Share Co. This is worse than it might appear to just look at this list, for the "Gold Dust Twins" in my State—the Texas Electric Service Co. at Fort Worth and the Texas Power & Light Co. at Dallas—supply several hundred communities in central Texas; and, as previously illustrated in the case of one of these twins, these two sets of producing properties were purchased about 13 years ago from the Southwestern Utilities Corporation for less than \$7,000,000, and are now valued at and the people pay rates based on a valuation of about \$150,000,000.

So much for company no. 1 owned by this powerful holding company. No. 2 is the Electric Power & Light Corporation, which owns Arkansas Power & Light Co., Pine Bluff, Ark.; Dallas Power & Light Co., Dallas, Tex.; Dallas Railway & Terminal Co., Dallas, Tex.; Idaho Power Co., Boise, Idaho; Inter-City Terminal Railway Co., Little Rock, Ark.; Louisiana Gas & Fuel Co., Shreveport, La.; Louisiana Power & Light Co., New Orleans, La.; Mississippi Central Power Co., Jackson, Miss.; Mississippi Power & Light Co., Jackson, Miss.; Nevada Power Co., Boise, Idaho; New Orleans Public Service, Inc., New Orleans, La.; Salmon River Power & Light Co., Boise, Idaho; Texas Interurban Railway, Dallas, Tex.; Utah Light & Traction Co., Salt Lake City, Utah; Utah Power & Light Co., Salt Lake City, Utah; Western Colorado Power Co., Durango, Colo.

Then no. 3, the National Power & Light Co., owns companies at Birmingham, Ala.; Raleigh, N. C.; Rogersville, Tenn.; Houston, Tex.; Knoxville, Tenn.; Memphis, Tenn.; Newport, Tenn.; and Jackson, Tenn.; several companies in some towns.

Then no. 4, Lehigh Power Securities Corporation, owns companies at Allentown, Pa., and Lancaster, Pa.

Then no. 5, American & Foreign Power, owns operating companies in Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Mexico, Panama, Venezuela, China, and India.

Then no. 6, American Gas & Electric Co., owns Appalachian Electric Power Co., Ohio Power Co., Indiana & Michigan Electric Co., the Scranton Electric Co., Atlantic City Electric Co., Kentucky & West Virginia Power Co., Wheeling Electric Co., Indiana General Service Co., and Kingsport Utilities, Inc.

Then no. 7, Commonwealth & Southern with its subsidiaries.

No. 8, Electric Investors, Inc., owns investments in various banks, insurance, industrial, and so forth.

THE REMEDY—MUNICIPAL OWNERSHIP AND WHEELER-RAYBURN BILL

In the face of this giant, this selfish giant, the Power Trust, I say we have an issue that is now demanding our honest attention, and I say honest because I mean the consideration of the people who elected us and sent us here to look after the interest of the majority and not the favored, rich, selfish minority. I am not going to burden this body with statistics that are available to every Member and every American citizen as to how the wealth of our Nation has rapidly sifted into the hands of a menacingly few people, for again, I say, if any Member does not know this trend, and that if not checked it means revolution and ruin for this Nation, his constituents made a mistake in sending him here.

These public utilities have combined capital that probably amounts to the equivalent of the wealth of the Nation. This, coupled with the unrestrained selfishness that has been exhibited by them constitutes a menace to our Government that demands the immediate enactment of the Wheeler-Rayburn bill at this Congress.

Passage of the Wheeler-Rayburn bill will permit proper supervision of the holding companies, which are now used as a smokescreen for sandbagging operating companies who in turn, because of this tremendous holding-company expense, are required to charge the consuming public exorbitant rates. The only real remedy any local community has left to force down unfair rates is the construction of their own municipal

light plant. This administration is the first administration within my memory that has shown a sympathetic attitude toward municipal light-plant construction. With the above information furnished, I trust that all cities and towns within the United States interested in owning their own utility will immediately file or refile and/or push their applications now pending under the new public works relief bill for construction of their municipal utilities.

THE PROGRESS OF RECOVERY

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOUSTON. Mr. Speaker, better times are undoubtedly ahead for the people of this Nation. This is not just a good-sounding sentence to bolster up an uncertain hope. This is a statement of fact, backed by conditions that are plainly visible, as you may note by the following letter I have just received:

THE UNION NATIONAL BANK,
Wichita, Kans., March 22, 1935.

HON. JOHN M. HOUSTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Five years this Nation has bowed to fear. Dire predictions as to the future have been freely indulged by men whose fortunes were built on courage and enterprise, not on fear and dismay.

Some still indulge this pessimism. Some still doubt the genius of the American people to rise above a crisis. Some criticize the administration as too radical, some condemn it as too conservative. And foolish people, listening to ghost stories, shuddering at their own shadow, permit opportunities of a lifetime to pass them by.

Today business is showing a steady advance all over the United States. Black breath curls upward from long-listless smokestacks, long-idle factories begin to hum, transportation lines are increasing their loads, farmers are paying their debts, and building construction is struggling to rise from its debris. Annual statements for 1934 coming to our files show substantial gains in varied lines.

Business is on the upgrade. The depression is history, with important lessons for all. America is still the leading nation of the world, her people the most intelligent, her resources incomparable, her future better than her past. If the United States bonds outstanding should reach forty billions they would still be the best security in the world.

Kansas has varied resources, three of which top the list—wheat, livestock, and oil. Wheat has recovered from a low of 25 cents in 1932 to 90 cents today. Cattle, hogs, horses, mules have all reached prices several times their recent low levels. Oil is being produced profitably, conditions of production are more stable than ever before, and the State's petroleum fields are attracting the attention of the oil world.

The unemployed, those willing to work but deprived by an unbalanced economic system of their rightful opportunity, see hope in the new social program for which the sufferings of the past 5 years opened the way. This Nation today answers the age-old question, "Am I my brother's keeper?" with "I am", and is preparing to perform the natural duties of a fortunate brother to one less favored.

One year ago this bank announced that recovery was beginning. Today we state it is well under way. Tomorrow it will be in full swing. Ups and downs will be travelled, like valleys crossed on the road to higher peaks. Honesty, industry, judgment, thrift, courage, vision, and their allied virtues will ever continue to be essentials of success. No nation can legislate its people into permanent prosperity. The people must do that themselves by their own conduct.

In few, if any, parts of this great country are natural conditions more favorable today than in Wichita and Kansas. Is it not time to pierce the cloud of gloom with the sunshine of better days? Is it not time to banish fear and to go confidently forward?

Sincerely,

W. B. HARRISON, President.

SUDDEN & CHRISTENSON, INC.—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 164)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Claims and ordered printed:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the enclosed decision rendered on December 22, 1934, by the arbitrator, John Clark Knox, judge of the United States District Court for the Southern District of New York, to the end that legislation may be enacted authorizing an

appropriation of the sum of \$78,025.83 for the payment to Sudden & Christenson, Inc., John A. Hooper, Emil T. Kruse, Edward Kruse, Gilbert Loken, and G. W. McNear, Inc., or their successors in interest, as recommended by the arbitrator, upon receipt by the Secretary of State of satisfactory releases from the respective claimants.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 22, 1935.

DISTRICT OF COLUMBIA LEGISLATION—LOANS FROM FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes; pending that I ask unanimous consent that general debate be limited to 1 hour, one-half to be controlled by the gentleman from Illinois [Mr. DIRKSEN] and one-half by myself.

The SPEAKER. Is there objection to the request of the lady from New Jersey?

There was no objection.

The SPEAKER. The question is on the motion of the lady from New Jersey.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2035, with Mr. Bloom in the chair.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mrs. NORTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill, S. 2035, does not increase the amount of loan previously provided, but merely permits the Commissioners of the District of Columbia to include the Municipal Court, Police Court, Juvenile Court, and Recorder of Deeds Buildings in the list of projects heretofore approved.

When the proper time comes the committee will consider an amendment to this bill for a purpose which I shall take a few minutes to outline. It is to advance to the Children's Hospital in the District of Columbia the amount of \$100,000 from this unexpended fund.

This hospital, I may say, is doing a very wonderful work in the District of Columbia for the children living here. A few days ago I was invited to visit this hospital and spent several hours investigating just what is being done by the Children's Hospital. I want to say to you members of the committee that I came away with the feeling that we Members of Congress really know very little about what is happening here in the Nation's Capital. We see our beautiful buildings of marble and stone, and we hear a great deal about beautifying Washington with parks and all the other things to make it attractive to visitors, but we know very little about what is going on in the most important buildings in our District. I am sure you will agree with me that there are no more important buildings than the hospitals of the District. It is an absolute fact that the hospitals in the District of Columbia are inadequate and overcrowded, but none more so than Children's Hospital.

I made a few notes while going through the hospital which I thought would be interesting to you, and I shall submit for your consideration my observations.

There are 9 resident staff doctors engaged in the work of caring for more than 5,000 children. Two of these are women. One hundred nurses for the 24-hour period are employed; each nurse on duty for 8 hours, meaning about 33 nurses to take care of 175 daily bed patients. Remember those are babies and children who require a great deal more attention than adults; also an average of 5,000 out-patients per month brought in to the clinic daily. If you could have been with me to see the marvelous work that is being conducted in those clinics, I am sure you

would agree that we certainly owe a very great debt to this hospital. The number of nurses is less than half the number required by the standard of American Hospital Association College of Nurses. Right here I want to pay a tribute to the director of the hospital, Miss Gibson, for the great work she is doing in behalf of these suffering children.

In talking over the hospital with her, I felt that God must love her for the wonderful work and the personal care that she is giving to His little ones. These children, of course, have all kinds of diseases. It is a general hospital. There are more than 100 doctors in the District who are giving specialized free service, and if it were not for these it would be utterly impossible for the hospital to carry on.

I should also like to pay a tribute to the Junior League, too, which has undertaken to furnish four full-line qualified social-service nurses to the institution. Three others of these social-service nurses are paid for out of the hospital funds.

Twenty-seven or more volunteer workers are doing a great amount of work to cut down the expenses of this hospital.

Mr. BEITER. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. BEITER. I noticed a statement in the papers the other day to the effect that Commissioner Allen favored some comprehensive plan of consolidation of hospitals. Should we take this consolidation plan into consideration when thinking of this \$100,000, or is this to be a separate hospital?

Mrs. NORTON. This is a separate hospital. I sincerely hope that plan will be approved by the House, but it has nothing to do with this particular hospital at this time. Later it may be considered in the consolidation plan.

Three dollars and eighty-three cents per day is the actual cost of a child in this hospital. The average national cost and the cost in my State is about \$5. So the cost is really very much under the average cost in a large city. Sixty-seven cents is paid for dispensary care for each child. The Board of Welfare does not pay for any dispensary service. The city pays only \$2.48 per child for hospital care, which is much below the actual cost.

Fifty-one nurses must be lodged outside, adding not only additional cost to the hospital but very great inconvenience. If this \$100,000 is given to the Commissioners for this work, the new plan will enable much more space for nurses' quarters within the hospital building.

There is no waiting room of adequate size for these children. Much of the time they must remain outdoors until their turn comes to be taken care of in the clinic. At least 200 children a day pass through this clinic, and the space allowed for the care of these children, each of which, of course, is accompanied by its mother, is only about what should be given to 50 patients; so you can understand how inadequate it is. On pleasant days it is not so bad, because they can stay outside, but on stormy days it is very pitiable to see these children waiting their turn, suffering as they are with all kinds of diseases.

There is a heating plant in this building that has been condemned and which is absolutely unsafe for the children. The pressure has been reduced from 150 pounds to 25 pounds; and for 24 hours during this past winter the hospital was entirely without heat. At any time a very serious accident may develop.

The hospital has made a great many efforts to raise money, and as a result of a recent radio appeal did raise something like \$6,000, which made possible a few very necessary improvements. I am mentioning only a few of the outstanding necessities that occurred to me in going through the hospital. It would take far too much time to give you a detailed account.

I come from a city that is not nearly so beautiful as Washington; we have not the elaborate buildings in our city that we have here in Washington, but I want to say to you that we believe it is much more important to take care of suffering human beings than it is to beautify the city. We can point with pride to the finest medical center to be found anywhere in the country. The result is a very

greatly reduced death rate. Now, I know it certainly would not be the purpose of Congress to have a hospital here in Washington devoted exclusively to little children and have it as inadequate as this hospital is; and so today I am drawing attention to these facts and asking you to help us secure this \$100,000 appropriation from the Public Works funds of the District in order to give these children a chance in life.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield myself 5 additional minutes.

There are very few of us who have not come in contact with little children. Most of us have children of our own, or have had; and we would not want to feel that if we were deprived of the means of giving these children the care they should have that they were going to die or be crippled because we were unable to supply them with the necessities they are entitled to have. Therefore, I appeal to you today when this amendment comes before the House to sustain the committee and help us secure this very much needed improvement. A few days ago we passed an old-age-pension bill for the Nation, a very good bill; and I felt greatly privileged to vote for that bill. But I want to say that it does not seem to me nearly so important to take care of old age as it does to take care of little children, because, after all, children are brought into the world with no consent on their part and they are often obliged to suffer all kinds of ills.

As I went through that building and saw a makeshift pool that has been set up for the treatment of infantile paralysis, the comparison between it and the great foundation in Georgia for the treatment of infantile paralysis came to my mind.

I wish you could see this set-up in the Children's Hospital. It is an example of what can be accomplished with little money but much sincerity of purpose and human cooperation; you would want to send the men and women responsible for that hospital a vote of thanks, for they are doing marvelous work with the most meager kind of equipment and a minimum of cost. It is to help their humanitarian efforts that we are asking for this appropriation today.

Another thing that amazed me was to see an enormous refrigerator, probably sent by some big hotel here in the city, and equipped with home-made machinery installed to supply the necessary cooling refrigeration.

Instead of having an entirely new, fine porcelain refrigerator, this refrigerator had to serve their purposes though inadequately. I am stating these little details to point out the devotion of the staff responsible for the good that is being accomplished at Children's Hospital.

Mr. NICHOLS. Will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. I wonder if the \$100,000 which has been requested will be adequate to put the hospital in the condition it should be in to take care of the number of patients they have to take care of?

Mrs. NORTON. Well, I do not think that it will be adequate, but I may say to the gentleman, if we vote this \$100,000 it is going to do more good than any \$100,000 you have ever voted for any purpose since we came to Congress.

Mr. NICHOLS. I may say to the gentlewoman that I am in hearty sympathy with the amendment and certainly feel that Congress should not be lacking in its duty toward the youngsters of the District of Columbia, but from the condition which the gentlewoman outlines I was afraid the \$100,000 would not be enough, and if the gentlewoman has any figures upon the matter upon which to base an estimate, we might be able to get an additional amount if the \$100,000 is not adequate.

Mrs. NORTON. I will say to the gentleman that for the present I think \$100,000 will be adequate for the improvements that are suggested at this time. May I also say that I believe before long the new director of health, Dr. Ruhland, who has come to the District to take charge of public health will probably have a very comprehensive hospital program to bring before the District and I think at that time we shall be able to add to it.

Mr. BOYLAN. Will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from New York.

Mr. BOYLAN. I want to congratulate the District of Columbia on having such an able and efficient Chairman of the District Committee. I know the welfare of the District is safe in the lady's hands on account of the splendid welfare experience she has had in her native State. I say that the poor, unfortunate, sick, and afflicted children of Washington are indeed fortunate to have the gentlewoman as Chairman of the District Committee.

Mrs. NORTON. I thank the gentleman, but believe that each and every Member of the House is just as much interested as is your chairman when the question of humanity is being considered.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, may I say for the benefit of those who are interested in this legislation that in June of 1934, after many conferences between the House and Senate District Committees, we finally enacted a measure providing for \$10,750,000 to carry on a program of public works in the District of Columbia. This program embraced an extension to the Tuberculosis Hospital, an extension to Gallinger Hospital, an extension to Lorton prison, and the sewage disposal plant. At that time there was no recital in the bill dealing with the juvenile court, the police court, and the recorder's building and all that the pending measure does is to leave the amount intact, namely \$10,750,000, and broadens the scope of the expenditure to include these additional buildings, together with that embraced in the committee amendment providing \$100,000 for the Children's Hospital.

Mr. Chairman, there is nothing controversial about this measure, and there is no reason why it should not pass this House.

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. LEE].

Mr. LEE of Oklahoma. Mr. Chairman, I appreciate the time that has been given to me by both sides of the House.

Mr. Chairman, this is the forty-sixth anniversary of the opening of Oklahoma by a "run." Many of our citizens came to Oklahoma C. O. D. Some of them came from other States P. D. Q. Then, after the first drought, they sent back an SOS, and know they are living on F. E. R. A.

When the State was opened for settlement, its virgin soil beckoned to thousands of homeless men.

Oklahoma's unspoiled beauty attracted men and women from every point of the compass and from every strata of society. As the Indians were driven from Florida, Alabama, Georgia, and the Carolinas, their trail of tears ended there, and as they beheld the natural beauty of that Territory, they said in their own language "Oklahom", which means beautiful land. There the red man hunted buffalo, deer, and wild turkey. The life was easy and happy. There was a plentiful supply of fruits, nuts, and wild game. The streams were full of fish. There were wild plums, persimmons, wild grapes, pecans, walnuts, and hickory nuts. There were rabbits, squirrels, wild ducks, plovers, prairie chickens, and bobwhites in abundance.

But not for long were the Indians to be undisturbed, because Oklahoma history had begun. Then came a chapter crowded with romance and adventure. The most colorful characters that ever crossed the pages of history played their last stand in Oklahoma. The household words of those days tell the story. Buffalo hunters, bullwhackers, pioneers; the gambler, the cattle king, the squaw man; war paint, scalp-lock tomahawk; branding irons, cattle rustlers, six-shooters; rolling plains, sod shanties, gyp water, settlers, nestors, United States troopers; free land, boomers, sooners, camp fires, covered wagons, outlaws; the Jameses, the Jennings, the Daltons, the Doolins; sod plows, milo maize, droughts, Chisolm Trail, Santa Fe Trail; sand storms, cyclones, politics, street fights, saloons, the dugout, the mustang, the coyote, kaffir corn, wheat, cotton, corn; coal, lead, zinc; oil, oil, oil; paved roads, air fields, skyscrapers.

We have made progress from those early days, our desire for speed increasing all the time. In those days when a fellow missed a stagecoach, he just waited a week until the next one came along. But today a guy gets hoppin' mad, if he misses one section of the revolving door of one of our skyscrapers.

The early history of Oklahoma is written in colors as flaming as an Oklahoma sunset, and the thing that made that history colorful was the indomitable spirit of the people themselves. The picturesque cavalcade of Coronado with armor gleaming in the sunlight and plumes dancing in the breeze opened the first chapter with a flash of glory. Then came the trader, the trapper, the trooper, and the missionary. On the headstone of a grave in the Neosho Valley is the following inscription: "In memory of Epaphrus Chapman who died in 1825; first missionary to the Osages." Chapman was typical of those adventurous spirits who left their bones to bleach on the rolling prairies, inhabited first only by red men. There were many great scouts and soldiers and explorers and missionaries. There is a long list of Indians whose names mean dignity and honor, but I do not have time here to call the roll of honor of that proud and haughty race.

We owe much to the red man. In fact, we owe the whole State to them. You know the difference between the Indian and the white man is this: the Indian scalps his enemy but the white man skins his friend.

The red man gives color to the history of Oklahoma. The Indians also gave us the names of most of our streams and mountains and towns and cities. These names all have meaning to Indians, but they do not mean much to us. Sometimes the names of Oklahoma towns recited together have a meaning all their own. For instance, Sallisaw, Henryetta, Wagoner, Bushyhead. The Indians have added some great names to Oklahoma history such names as Chief Sequoyah, General Stanwaite, Senator Owen, Will Rogers, and hundreds of others.

On the morning of the 22d of April 1889, every manner of man and vehicle were assembled on the Kansas line ready for the run. Swarming like bees, they struggled for position. At high noon the shrill notes of a bugle silenced the confusion. A United States cavalry trooper raised a carbine. A hundred thousand hearts leaped to a hundred thousand throats. A hundred thousand hopes hung on that signal. The carbine flashed and Oklahoma was opened with a pistol shot. In a few hours a new territory was populated and cities and towns sprang up with the magic of an Arabian Nights story. That night a hundred thousand campfires twinkled like new stars in the firmament, and the savory odor of frying bacon was rising from every quarter section of the new empire.

Then in 1901, on the 6th day of August, the roulette wheel of chance spun around again, and the Government opened by lottery—Congressman KENNEY would have liked that—the remaining surplus lands of the Comanche, Kiowa, Apache, Wichita, and Caddo Tribes. This ended the last great land opening in Oklahoma.

And, finally, what could be more fitting to climax this stirring episode of Oklahoma history than to have a dashing, rough-riding, two-fisted Teddy Roosevelt himself sign the bill for statehood? Thus in 1907 Oklahoma became the forty-sixth star in the flag.

It seemed very appropriate that the young State of Oklahoma should be opened with a run. The very manner of opening the land to settlement appealed only to the daring, the active, the courageous, the swift, the strong, and the young. Thus did Oklahoma in a unique manner attract hand-picked settlers with the spirit to do or die. Like Gideon's band those best fitted for the stern hardships of pioneer life were sifted out by the nature of the contest.

And even after the "run" people still poured into the new territory. In the old States it was a common thing for the people to sit on their porches and watch a covered wagon go rolling by, the husband and wife sitting on the spring seat and half a dozen children peeping out from beneath the wagon sheet. This American ship of the desert

was freighted with the hopes, dreams, and ambitions that made Oklahoma great.

Here they came to Oklahoma, the melting pot of America. The shrewd New England Yankee with his practical business methods, the courteous southerner with his statesmanship, the easterner with his culture, the hardy westerner with his courage, the northern farmer with his superior methods of agriculture—all joined in the common cause of building a commonwealth, each one bringing his pearls of wisdom, culture, and experience to lay as rich treasure at the feet of this young State. Neighbor helped neighbor in the feeling of common unity. The general attitude was one for all and all for one.

The opening was gay and thrilling, but the real test came afterward. It came when the provisions that were brought along gave out. It came with the long stretch of home-making—securing a water supply, providing a shelter. There were log cabins and dugouts and half dugouts, and there were tents and there were sod shanties. Then again there were the hardships of the weather—the blasting wind and the blazing sun. There were sand storms, cyclones, and droughts.

THE DROUGHT

You remember the year the drought began,
The sky took on a brazen tan,
And water holes dried
And cattle half died,
In the time of the terrible drought.

The earth cracked up like sun-baked clay
And the maize was good for naught but hay,
And kaffir corn was all curled up,
And the sun was hot
As a blazing blot,
And drank up the ponds at a sup.

So the drought went on from year to year,
And the tough mesquite was sad and sear,
And the sky looked hard as pointed steel,
And the hot winds blew
And the whirlwinds, too,
And the earth plowed up as dry as meal.

The prairie dogs deep and deeper went—
The Indians knew what that sign meant
And shook their heads with knowing nod,
And the dry spell stayed
And the settlers prayed
"That rain might fall, Almighty God."

Sometimes a cloud in the heat of the day
Would float into view and hurry away,
For the cloud was dust in the droughty days
And the sky was high
And the sky was dry
And the sun would set with scorching rays.

It grew so hot that a storm arose
And brought the drought to a tardy close
And cooled those winds so hot from hell
But we hear
From the old pioneer
His graphic tale, "the long dry spell."

Western Oklahoma never would have been settled if it had not been for the humble little prairie dog. Now we did not eat the prairie dogs, but they were destructive to the crops. So the counties decided to help the farmers by helping to destroy the prairie dogs. So they offered a bounty for each dead prairie dog we carried in to them. All of those westerners were good shots, so the prairie dogs accumulated faster than the county authorities could dispose of them. So finally Kiowa County told us not to bring the whole dog in, but just to bring the head or tail in so they could tell that we had killed it. Then pretty soon Washita County did the same thing, so we soon got wise to it; and we took the heads to Kiowa and the tails to Washita, and we settled western Oklahoma on heads and tails.

There is another little animal that is a native of the West and that is—

THE JACK RABBIT

I like the jack rabbit
Because of his habit
Of racing the hounds in the clear
He always runs in the clear.

He leaves the plum thickets
And bramble briar wickets
To wildcats and foxes and deer
To the elk and the deer.

He chooses his races
In the open spaces
And waits for the hounds to appear
This rabbit they call a mule ear.

When the hounds give chase
He opens the race
By twisting his tail awry
He cocks his tail awry.

He runs off a ways
And stands up to gaze
To see if they mean to try
And when they really try—

He's off with a canter
And makes them a banter
By twisting his tail awry,
He cocks his tail awry.

But like the plover
He spurns the cover
And spreads himself to fly,
He makes the distance fly.

Then there was white gravy, too. I do not want to forget it; I could not forget it if I wanted to. Western Oklahoma never would have been settled if it had not been for white gravy. What mother made it out of I do not know. Our rations would give out but mother would always have plenty of white gravy. It saved thousands of homesteaders from being forced to leave their claims. Every morning there was enough white gravy made in those two counties alone to spread a white blanket over the entire State.

Even with the heads-and-tails life for existence, even with the white gravy and alkali water, I remember those days on a Government claim as the happiest days of my life.

THE OLD SOD HOUSE

I lived on the plains in an old sod house
And played in the sage with rabbit and grouse.
I found the bear grass and gathered its pod,
And lived like a king in a mansion of sod,
For life was free in the early days
Where wild ducks feed and cattle graze.

You see, my father had staked a claim
And brought his family to prove the same.
Oh, the life was rough and sort o' hard
But we went on without regard
To inconvenient western fare
And built a home of gladness there.

Our house was built of the native sod,
But the hearts within lived close to God.
This palace contained a single room
And just one window dispelled the gloom,
But the souls within created the light
And especially so on a wintery night.

With mother and father and Cousin Jim,
Sister and brother, and the rest of them,
Including grandma, who furnished the cheer,
They kept things merry most of the year.
It seems like a dream as I think of it now—
We lived in a house we built with a plough.

The fireplace served as the altar of love,
For which we thanked the Father above.
We gathered there at the end of day
To fast and feast and frolic and play.
The meat was scarce and so was the meal,
But of love and joy we had a good deal.

Grandfather sat in a corner there
And grandma sat in her little low chair.
They'd tell us stories of the long ago
And stop and listen to the flame spit snow,
Then grandma would make some popcorn balls
And we'd make shadows on the old sod walls.

Then father would say he'd bet his clothes
That he could win at dominoes,
And mother would look from her sewing and say,
"And if you lose, you've nothing to pay!"
Then we laughed and had a game,
But he let us win it just the same.

Then from the Book a chapter he read,
And after a prayer we scampered to bed.
I want to go back to those happy days,
And sit once more and stare in the blaze.
I want to go back and chase the grouse
And live once more in the old sod house.

When I think of the spirit of those rugged pioneer settlers, it stirs my soul. They were not daunted by the lack of church buildings or schoolhouses. The organization of many a church took place under a wagon sheet or a brush arbor. As to the schools, some pretty young "school marm" was

induced to leave the old home town and come out to this new country to impart knowledge of the three R's to the future farmers, statesmen, and business men of the new Territory. What did it matter to this young schoolmistress that the children gathered around her in a sod house with the flowers nodding gaily from its earthen roof. Those brave spirits never knew the tragedy of the unprepared.

It was this spirit—this pioneer spirit of achievement and progress that made Oklahoma great. It was this spirit that prompted Albert Payne to lead the settlers back into the Territory after they had been twice driven out by the United States troops.

RESOURCES

That same spirit of chance has developed our State. It opened our oil fields and built our skyscrapers. That is the old sooner spirit. That is the spirit of believing in one's self and in the future. That is the spirit of the pioneer who did not know how to quit.

This conquering spirit of the pioneer wrested from the land its treasure. When Coronado and his gold-seeking Spaniards came, Oklahoma opened not the doors to her wealth. But those doors yielded to the compelling hands of the homesteader.

First. There is the wealth of her natural beauty. She has streams, mountains, and plains, fascinating and beautiful. The northwest has the unique and colorful Red Hills. The skyline of the southwest is coxcombed by the rugged Wichitas. The south central is rockribbed by the Arbuckles. The north central has the romantic Osage Hills, while the untamed Kiamichi make southeastern Oklahoma a wild paradise.

Then, again, Oklahoma has every imaginable kind of stream from Big Elk to Little River, from the peaceful Chikaskia to the turbulent Canadian, from the deep Verdigris to the shallow Cimarron, from the muddy Washita to the sparkling Spavinaw.

Yes, we have all kinds of rivers. Not long ago we had a flood-control convention in Oklahoma, and a big, "instutin' engineer" came down there and made a speech to tell us how to control our rivers. He said that we needed drainage experts down there. Drainage experts—why, we invented that term. Why, there are oil-stock salesmen in Oklahoma who have drained every State east of the Mississippi. It is not drainage we need. It is some fellow who can dam up one of our rivers and make it stay dammed.

This big consulting engineer said in his eloquent speech, "I was reared on the banks of the old Missouri, and I learned about rivers from her. In the evening when the sun hung low in the west I watched the long shadows of the trees as they faded into the dark and mysterious vapors that arose from her swift-moving tide, and I learned about rivers from her. And as I watched that current day after day I was mystified; I wondered from whence it came and whither it went."

Now, that engineer might know about the old Missouri. I am not questioning his knowledge of her, but he did not learn about Oklahoma rivers from her. Why, mister, if you never saw the old South Canadian on a tear, "you ain't seen nothing." Why, man alive, that old heifer can run uphill faster than the Missouri could fall over Niagara. And as to mystery—there are farmers along that old river today who spend their time thinking of the mystery of it. Some of them used to have land that they do not have now, and some have land they did not used to have. She is a Biblical old stream. She giveth and she taketh away, and they know not from whence it cometh nor whither it goeth.

Oklahoma not only has mountains and rivers but she has canyons and caves and prairies and plains.

Northwestern Oklahoma is a cattle country, and on farther west are the intriguing plains of the Panhandle. Sometimes the wind blows out there. So those people invented a wind barometer so they could judge the wind. Many of the houses are equipped with these wind barometers. They have a big pole sticking out from the gable end of the house. On the end of this pole is fastened a log chain. When the wind blows hard enough to make that log chain stand out straight

it is too windy to work, but if the chain sags a little, they go right on pitching hay.

Coronado came to Oklahoma seeking Quivira, the fabled land with seven cities of gold, but he returned empty-handed for Quivira opened not her gates to this armed force. And then for 400 years afterwards Oklahoma held the secret of her hidden wealth. It remained for the homesteader to find her riches, for they lay in hidden mines of zinc and coal, in secret pools of oil, and fertile fields of soil.

Today Oklahoma has not merely seven cities of Cibola, but 77 cities in 77 counties, each one producing enough wealth in a single year to match Coronado's wildest Spanish dream.

Here in this wonderland, oil volcanoes spout their black gold high over the derrick, and Oklahoma bids high for first place in the production of mineral petroleum. One half of her 77 counties produce either gas or oil, and yet her western oil reserves have not been tapped.

There is enough unmined coal in Oklahoma to turn every factory wheel in the United States for a thousand years. At the present rate of production the Geological Survey estimates that there is enough unmined coal in Oklahoma to last 26,000 years. Oklahoma stands thirteenth among the States in the production of coal.

With her coal and gas together, Oklahoma stands first in the production of fuel which is the very foundation of industrial life.

Oklahoma produces more zinc than all the rest of the Nation together, and stands second among the States in the production of lead.

The building materials of Oklahoma are illimitable. She has enough glass sand to make a glass roof over the entire State and have glass sand left. She has great ledges of limestone, hills of gypsum and mountains of granite. She has quarries of marble and sandstone. She has an inexhaustible supply of clay for the manufacture of brick, tile, and pottery.

Oklahoma has enough asphalt to pave every road in the State; while her salt beds contain the salt of the earth.

Although Oklahoma is considered a prairie State, she has a vast amount of uncut timber, and stands twenty-fourth among the States in the production of lumber. The mountainous southeast has an abundant supply of short-leaf pine and the State produces more different kinds of hardwood than all of Europe combined. So you see Oklahoma has enough building material to last forever.

Furthermore, there are the agricultural resources. Although Oklahoma ranks second among the States in mineral production and first in fuel, yet in her greatest year she produced more in agricultural wealth than she did in mineral products. Oklahoma is primarily an agricultural State, and her greatest treasure lies in the first 6 inches of the soil.

Oklahoma stands first in the production of broomcorn, second in the production of pecans, second in the production of grain sorghum, third to fifth in the production of wheat, third to seventh in the production of cotton, twelfth in the production of corn. In addition to these, her great production of oats, barley, rye, peanuts, and fruits give her first place in diversified crops, which is the most important factor in the agricultural program.

Then, again, Oklahoma is a great livestock State. She is high in the production of hogs, eleventh in cattle, seventh in poultry, and the Oklahoma City stockyards are seventh in the United States in the number of livestock handled each year.

As among the Southern States, Oklahoma stands first in the production of butter, second in the production of turkeys, second in the production of mules, and second in the production of furs.

The fabulous wealth of Quivira is a reality. Where once the buffalo grazed, today blooded livestock fatten on the succulent grasses of Oklahoma and bring wealth to the State.

Mr. COLDEN. Mr. Chairman, will the gentleman yield? I would like to invite the gentleman to California. He seems to have the California spirit. [Laughter.]

Mr. LEE of Oklahoma. I appreciate that, for California has the spirit of advertising, and that is a mighty good spirit. [Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. RANDOLPH. I hesitated to interrupt the gentleman's very eloquent address, in which he is painting the glories of Oklahoma. The gentleman has spoken about the oil and gas industry in that great State. It is a fact, and I know the gentleman will allow it to be placed in the RECORD at this point, that it was the pioneer oil and gas man who went from my State of West Virginia into Oklahoma who really opened up that great industry for the gentleman's State.

Mr. LEE of Oklahoma. You know that when a hen lays an egg she flies up on the barnyard fence and tells the whole world about it. When a duck lays an egg she waddles off from her nest and says nothing about it. The result is that the whole world eats hen eggs and nobody eats a duck's egg. If anybody ever tried to eat a duck's egg, they understand why the duck says nothing about it. If you have nothing to advertise but climate in your State, you should take a lesson from the duck. [Laughter and applause.]

Mr. RANDOLPH. Will the gentleman yield further?

Mr. LEE of Oklahoma. I yield.

Mr. RANDOLPH. I might say before I interject this that I like Oklahoma, and a great many of my people live there. I once worked there on a newspaper; but before there was an opening up of the oil and gas field in Oklahoma there was an oil and gas industry in my State, and you had to have experienced men there. These hardy men brought with them the pioneer spirit from West Virginia, and I know you have been glad to have them as residents and builders of your State.

Mr. LEE of Oklahoma. Yes; many people came to our State from West Virginia, Georgia, and Tennessee. One neighbor said he had raised his last crop of rocks, and he wanted to come to a country where he could stand on both feet at the same time. [Laughter.]

Mr. HOEPEL. Many people went away from their own State to get away from the sheriff.

Mr. BOYLAN. Will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. BOYLAN. Have you raised great corn crops in Oklahoma?

Mr. LEE of Oklahoma. Yes; Oklahoma stands twelfth in the production of corn when we do not have a drought.

Mr. BOYLAN. Is that corn manufactured into good moonshine? [Laughter.]

Mr. LEE of Oklahoma. Yes; in eastern Oklahoma they call it "mountain dew" and out West they call it "canyon rum."

Mr. NICHOLS. We raise about 4 gallons of corn to the acre.

Mr. LEE of Oklahoma. May I say that my good friend, Mr. NICHOLS, represents southeast Oklahoma, the land of a thousand hills and thrills and stills?

Mr. HOUSTON. Will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. HOUSTON. Is it not a fact that the buffalo all came from Kansas?

Mr. LEE of Oklahoma. Yes, one time Joe Bailey said that he thanked God for Oklahoma for it separated Texas from Kansas. [Laughter.]

I appreciate the contribution the gentlemen have made from other States, and I am sure you took my answers in the friendly spirit in which they were intended.

Bob Taylor of Tennessee once said, "I do not like sectional hatred and animosity but I do not object to sectional pride and patriotism." "I do not object", said he, "if the easterner believes that the aurora borealis is only the glow in the sky from the factories and furnaces of the East. I do not object if the westerners believe, as they do, that the glow of the setting sun is but a reflection of the grain fields of the

West. Then why should they object if I believe, as I do, that the great Milky Way is but a reflection in the sky of the rice and cotton fields of Dixie."

That is the way I feel, Mr. Chairman, as a representative of the forty-sixth star in the flag. Go out there soon and you will see oceans of wheat, wave following wave, as far as the eye can see, while ripening wheat heads billow and surge before the harvest breeze; there the tall corn shoots and tassels in the sun, and the cotton whitens beneath the stars. There you can see the farmer's big red barn and his modern home, his windmill and his silo; his spreading shade trees and his orchard fragrant with blossoms or laden with fruit, cherry-cheeked as are the sons and daughters of the last frontier, Oklahoma, the forty-sixth star in the flag. [Applause.]

Mrs. NORTON. Mr. Chairman, there being no further requests for time, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the act approved June 25, 1934 (Public, No. 465, 73d Cong.), is hereby amended to read as follows:

"That the Commissioners of the District of Columbia are hereby authorized to borrow for the District of Columbia from the Federal Emergency Administration of Public Works, created by the National Industrial Recovery Act, and said Administration is authorized to lend to said Commissioners the sum of \$10,750,000, or any part thereof, out of funds authorized by law for said Administration, for the acquisition, purchase, construction, establishment, and development of a tuberculosis hospital, a sewage-disposal plant, an extension of or addition to Gallinger Municipal Hospital, a jail or other enclosure for prisoners at Lorton, Va., and a building or buildings for the police court, the municipal court, the recorder of deeds, and the juvenile court, or any of them, said court buildings to be located on such portions or parts of Judiciary Square, or the area bounded by Fourth and Fifth Streets, D and G Streets NW., as shall be approved by said Commissioners and the National Capital Park and Planning Commission, or any one or more of said projects as the said Commissioners may determine."

With the following committee amendment:

Page 1, line 9, after the word "Works", insert "or such other agency."

The amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment by Mrs. NORTON: Page 2, line 16, after the word "determine", strike out the period and insert a semicolon and the words "and to advance to the Children's Hospital of the District of Columbia, in compensation for clinical examination of tubercular children, the sum of \$100,000, or so much thereof as may be necessary, for alterations and enlargement of buildings, equipment, and accessories."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Sec. 2. That section 3 of said act is hereby amended by adding at the end thereof the following: *Provided*, That whenever the District of Columbia is under obligation by virtue of the provisions of section 4 of said Public Act No. 284, Seventy-first Congress, reimbursement shall be not less than \$300,000 in any one fiscal year.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bloom, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 2035, and had directed him to report the same back to the House with sundry amendments, with the recommendations that the amendments be agreed to, and that the bill as amended do pass.

Mrs. NORTON. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

APPEALS FROM PUBLIC UTILITIES COMMISSION

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 3462) to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection to the request of the lady from New Jersey that the bill be considered in the House as in Committee of the Whole?

There was no objection.

The SPEAKER. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 8 of the act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", be, and the same is hereby, amended by striking therefrom all of paragraph 52, and all of paragraph 64, after the first sentence thereof, and inserting in lieu of the matter stricken the following:

"That any public utility or any other person or corporation affected by any final order or decision of the Commission may, within 30 days after the publication thereof, file with the Commission an application in writing requesting a reconsideration of the matters involved, and stating the errors claimed as grounds for such reconsideration. The Commission, within 30 days after the filing of such application, shall either grant or deny it. If such application be granted, the Commission shall, either with or without hearing, rescind, modify, or affirm its order or decision. The filing of such an application shall act as a stay upon the execution of the order or decision of the Commission until the final action of the Commission upon the application: *Provided*, That upon consent of the utility such order or decision shall not be stayed but shall take immediate effect unless otherwise ordered by the Commission. No appeal shall lie from any order of the Commission unless an application for reconsideration shall have been first made and determined."

With the following committee amendments:

Page 2, line 6, after the word "stating", insert the word "specifically."

Page 2, line 7, after the period, insert "No public utility, or other person or corporation shall in any court urge or rely on any ground not so set forth in said application."

Page 2, line 11, after the period, insert "Failure by the Commission to act upon such application in such period shall be deemed a denial thereof."

Page 2, line 14, after the word "Commission", insert "after giving notice thereof to all interested parties."

Page 2, line 19, after the word "upon" where it occurs the second time, insert the word "written."

Page 2, line 20, after the word "stayed", strike out "but shall take immediate effect."

The amendments were agreed to.

The Clerk read as follows:

Sec. 2. That said section 8 be, and the same hereby is, further amended by striking therefrom paragraphs 65, 66, 67, 68, and 69 and inserting in lieu of the matter stricken the following:

"PAR. 65. The Supreme Court of the District of Columbia shall have jurisdiction to hear and determine any appeal from an order or decision of the Commission. Any public utility, or any other person or corporation affected by any final order or decision of the Commission, other than an order fixing or determining the value of the property of a public utility in a proceeding solely for that purpose, may, within 60 days after final action by the Commission upon the petition for reconsideration, file with the clerk of the Supreme Court of the District of Columbia a petition of appeal setting forth the reasons for such appeal and the relief sought; at the same time such appellant shall file with the Commission notice in writing of the appeal together with a copy of the petition. Within 20 days of the receipt of such notice of appeal the Commission shall file with the clerk of the said court the record, including a transcript of all proceedings had and testimony taken before the Commission, duly certified, upon which the said order or decision of the Commission was based, together with a statement of its findings of fact and conclusions upon the said record, and a copy of the application for reconsideration and the orders entered thereon. At the same time the Commission may, if it so desires, answer, demur or otherwise move or plead. Thereupon the appeal shall be at issue and ready for hearing. All such proceedings shall have precedence over any civil cause of a different nature pending in said court, and the Supreme Court of the District of Columbia shall always be deemed open for the hearing thereof. Any such

appeal shall be heard upon the record before the Commission, and no new or additional evidence shall be received by the said court. The said court, or any justice or justices thereof, before whom any such appeal shall be heard, may require and direct the Commission to receive additional evidence upon any subject related to the issues on said appeal concerning which evidence was improperly excluded in the hearing before the Commission or upon which the record may contain no substantial evidence. Upon receipt of such requirement and direction the Commission shall receive such evidence and without unreasonable delay shall transmit to the said court the findings of fact made thereon by the Commission and the conclusions of the Commission upon the said facts.

"Upon the conclusion of its hearing of any such appeal the court shall either dismiss the said appeal and affirm the order or decision of the Commission or sustain the appeal and vacate the Commission's order or decision. In either event the court shall accompany its order by a statement of its reasons for its action, and in the case of the vacation of an order or decision of the Commission the statement shall relate the particulars in and to the extent to which such order or decision was defective.

"Any party, including said Commission, may appeal from the order or decree of said court to the Court of Appeals of the District of Columbia, which shall thereupon have and take jurisdiction in every such appeal. Thereafter the Supreme Court of the United States may, upon a petition for certiorari granted in its discretion, review the said case.

"Said Commission shall not, nor shall any of its members, officers, agents, or employees, be taxed with any costs, nor shall they or any of them be required to give any supersedeas bond or security for costs or damages on any appeal whatsoever. Said Commission, or any of its members, officers, agents, or employees, shall not be liable to suit or action or for any judgment or decree for any damages, loss, or injury claimed by any public utility or person, nor required in any case to make any deposit for costs or pay for any service to the clerks of any court or to the marshal of the United States.

"PAR. 66. In the determination of any appeal from an order or decision of the Commission the review by the court shall be limited to questions of law, including constitutional questions; and the findings of fact by the Commission, if supported by substantial evidence, shall be conclusive unless it shall appear that such findings of the Commission are arbitrary or capricious.

"PAR. 67. All orders and decisions of the Commission shall remain in full effect, except as provided in paragraph 64, unless and until they are superseded or rescinded by the Commission or are vacated by lawful order of the Supreme Court of the District of Columbia: *Provided*, That if in any petition made to the said court appealing from an order or decision of the Commission it be alleged that substantial and irreparable property loss would be occasioned to the petitioner by the operation of the said order pending the determination of the said appeal, the court may set a time and place for hearing upon the said allegation after not less than 3 days' notice to the Commission (during which 3 days the execution of the order or decision shall be stayed), and the said court may then, upon a clear showing of the irreparable and substantial property loss as alleged, suspend the effective date of the said order. No such suspension shall be for a greater period than 60 days without further hearing by the court. In the event of the issuance of an order suspending the operation of any order of the Commission, the court may include therein such provision as it deems advisable for the preservation of records or accounts and the impounding or otherwise securing of moneys necessary to give effect to the order of the Commission in the event the said order is sustained.

"PAR. 68. The Supreme Court of the District of Columbia, or any justice thereof before whom an appeal from an order of the Commission is pending, may certify to the Court of Appeals of the District of Columbia any questions or propositions of law concerning which instructions are desired for the proper disposition of the appeal; and thereupon the court of appeals may either give binding instructions on the questions and propositions certified or may require that the entire record in the cause be sent up for its consideration, and thereupon shall decide the whole matter in controversy in the same manner as if it had been brought there by writ of error or appeal.

"PAR. 69. That if, after appeal is filed, the Commission shall rescind the order or decision appealed from, the appeal shall be dismissed; if it shall alter, modify, or amend the same, such altered, modified, or amended order or decision shall take the place of the original order and the court shall proceed thereon as though the late order had been made by the Commission in the first instance.

"PAR. 69a. The method of review of the orders and decisions of the Commission provided by paragraphs 64, 65, 66, 67, 68, and 69 herein shall be exclusive."

With the following committee amendments:

Page 3, line 20, after the word "record", insert "including a transcript of all proceedings had and testimony taken before the Commission."

Page 4, line 2, strike out the word "thereon" and the period and insert: *Provided*, That the parties, with the consent and approval of the Commission, may stipulate in writing that only certain portions of the record be transcribed and transmitted."

Page 4, line 5, strike out "at the same time the Commission may, if it so desires, answer, demur, or otherwise move or plead", and insert "Within this period the Commission or any other interested party may answer, demur, or otherwise move or plead."

Page 6, line 13, after the word "are", insert "suspended."

Page 6, line 21, strike out the word "may" and insert the word "shall."

Page 6, line 23, strike out "3 days" and insert "period."

Page 7, line 3, after the word "further", insert "order after notice or."

Page 7, line 23, after the figures "69", insert "That the Commission may at any time rescind, alter, modify, or amend its order."

The committee amendments were agreed to.

Mr. SMITH of Virginia. Mr. Speaker, I move to strike out the last word of the committee amendment. It seems to me this is a very worth-while bill, but in going over it I noticed in several instances there are provisions which seem to foreclose the right of appeal. I am just wondering whether the committee has taken into consideration the possibility, and perhaps probability, that if this law is enacted we may go along for a year or two seeking to enforce it and wind up by having the whole thing declared invalid. In that case we would be back where we are, with a couple of years' lost time. I am wondering if the committee would not agree to some slight amendments rather than to take that chance?

Mr. CARPENTER. Will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. CARPENTER. I understood the gentleman to say that he understood the bill did not provide for the right of appeal.

Mr. SMITH of Virginia. Yes.

Mr. CARPENTER. That is what the bill is intended to provide. The purpose of the bill is to provide a judicial or constitutional appeal. That is the essence of the bill—to provide for judicial review. According to the procedure under the law as at present, the courts in the District of Columbia act in the capacity of legislative bodies. When an appeal comes to the court it is not considered by the court as in a judicial review, but the court acts upon it in a legislative capacity. There is no real appeal or review in the procedure now in force under the statute.

The court can step in on the so-called "appeal" and act as the Commission could in the first instance. Now, we are trying to straighten this matter out and provide that the Commission shall act as the legislative or administrative body. The Commission receives the evidence and makes the findings of fact. Then those findings of fact are presented, if there is an appeal taken, to the court as an appellate body.

Mr. SMITH of Virginia. But the bill provides there shall be no appeal on a question of fact, under paragraph 66, and the findings shall be conclusive unless it appears that they are arbitrary or capricious.

Mr. CARPENTER. May I say to the gentleman that this matter was gone over by the committee quite thoroughly. The heart of the bill is in the paragraph that was mentioned by the gentleman, namely, paragraph 66. That paragraph was taken out of the Radio Act almost verbatim, and simply adding the words "including constitutional questions." That act has been passed upon by the Supreme Court of the United States.

In addition to that, I cite the gentlemen to the procedure in California, Missouri, South Dakota, and Utah. They have exactly the same provisions.

Mr. SMITH of Virginia. Does the gentleman have any decisions where the right of appeal on the ground of the reasonableness of the order has been denied? That is what this bill provides.

Mr. CARPENTER. The matter of reasonableness was considered at some length by the committee. Such provision was opposed very strongly by those representing the District of Columbia, for the reason that if you add the word "reasonable" you might as well not pass the bill. You open up the whole field.

Mr. SMITH of Virginia. That is on the question of appeal?

Mr. CARPENTER. Yes.

Mrs. NORTON. That is what has been delaying matters so much. There are cases 10 or 12 years old just because of that.

Mr. CARPENTER. In the case of *Interstate Commerce Commission v. Union Pacific Railroad Co.* (222 U. S. 541)——

The SPEAKER. The time of the gentleman from Virginia [Mr. SMITH] has expired.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CARPENTER. In that case the Supreme Court said:

In determining these mixed questions of law and fact the Court confines itself to the ultimate question as to whether the Commission acted within its power. It will not consider the expediency or wisdom of the order, or whether on like testimony it would have made the same ruling. Its conclusion, of course, is subject to review, but when supported by evidence—

That is, when the findings are supported by evidence—

it is accepted as final; not that its decision, involving as it does so many and such vast public interests can be supported by a mere scintilla of proof, but the courts will not examine the facts further than to determine whether there was substantial evidence to sustain the order.

Mr. SMITH of Virginia. May I interpose a question right there?

Mr. CARPENTER. Let me call attention to paragraph 66 of the bill:

In the determination of any appeal from an order or decision of the Commission the review by the Court shall be limited to questions of law, including constitutional questions; and the findings of fact by the Commission, if supported by substantial evidence, shall be conclusive unless it shall appear that such findings of the Commission are arbitrary or capricious.

I believe that should answer the gentleman's question.

Mr. SMITH of Virginia. That is not the question I wanted to ask just at this time. In your committee have you not had considerable doubt in your own mind as to the constitutionality of this act as it is now drafted?

Mr. CARPENTER. Not as to any of these sections. There has been a question of constitutionality raised, I will say frankly to the gentleman, in regard to paragraph 69 (a), the exclusive provision of the bill, and that was the only section of the bill in which the committee had any serious doubt as to its constitutionality.

Mr. SMITH of Virginia. That is somewhat along the same line. It is a question of whether or not, after enacting this legislation and proceeding for a year or two trying to regulate a utility, then having the whole proceeding upset by the unconstitutionality of the act. Do you not have great doubt about it?

Mr. CARPENTER. There is a saving clause in this bill. Section 4 on page 9:

If any provision of this act or the application to any person or circumstance is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

Mr. SMITH of Virginia. You have that, of course, in every case of legislation.

Mr. CARPENTER. So that I do not think the question of constitutionality amounts to anything one way or the other.

This body legislating for the District of Columbia as a State legislature can neither give the District of Columbia nor anyone residing here any constitutional right they do not already possess nor can it take away from them any constitutional right. Now, if section 69 (a) is unconstitutional it does not mean anything.

Mr. SMITH of Virginia. Why not? That is what I want to get at.

Mr. CARPENTER. We have practically the same proposition relating to the United States courts. We passed the Johnson Act at the last session of Congress which prevented the utilities from going into the United States Court in equity and attempting to enjoin any State commission. The Johnson Act, however, does not apply to the District of Columbia.

Mr. SMITH of Virginia. The gentleman is referring to the act passed last year?

Mr. CARPENTER. Yes. I think this bill should be passed as it is. The Senate will take it up for consideration and give it further consideration. I believe we have a fair chance to pass this utility bill which the gentleman says he would like to see passed; and we should keep this provision in the bill at this time.

Mr. SMITH of Virginia. Irrespective of whether it is constitutional or unconstitutional?

[Here the gavel fell.]

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia may have 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SMITH of Virginia. The gentleman thinks it better to pass the bill as it is irrespective of the question of constitutionality?

Mr. CARPENTER. Yes.

Mr. SMITH of Virginia. The question I want to discuss with the gentleman is this: The gentleman says it does not make any difference whether the bill is constitutional or unconstitutional. If an appeal is taken from the decision of the board and the court refused to hear it and it is ruled by the Supreme Court that this particular section is unconstitutional then the whole proceeding goes out, does it not?

Mr. CARPENTER. No.

Mr. SMITH of Virginia. Why not?

Mr. CARPENTER. The bill can stand on its own feet.

Mr. SMITH of Virginia. The bill could not stand on its own feet if the Supreme Court decided that you could not take away the right of appeal.

Mr. CARPENTER. The only way I know in which that question could come up would be if a utility should appeal through the equity procedure to the courts by way of injection, for instance, trying to circumvent the provisions of this bill and the court should make a ruling based upon this bill if enacted into law they did not have any right to such relief. In such a case the constitutionality of the bill would come up for consideration.

Mr. ELLENBOGEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. ELLENBOGEN. May I say to the gentleman that as a member of the Subcommittee on Utilities I had the same doubt he has as to the constitutionality of section 66 and section 69 (a), and still have some doubt; but Mr. Prettyman, the corporation counsel, advised us that in his opinion there was no doubt at all, that they made a very careful study of the bill. In view of that opinion we felt that we should proceed with the bill and report it out; that if there were any questions about it we should let the courts decide it.

Mr. SMITH of Virginia. The gentleman also had in mind that the bill would come up for further study and consideration in the Senate, did he not?

Mr. ELLENBOGEN. No; we did not have that in mind. We felt that the preponderance of the evidence was in favor of the constitutionality of the measure and that the bill was very desirable. Therefore we reported the bill favorably.

Mr. CARPENTER. The question of the constitutionality of the section the gentleman has in mind has been sustained. It was sustained in the case of the *Radio Commission v. Nelson Bros.* (289 U. S. 266). I will read the decision or insert it in the RECORD, if the gentleman desires:

That review (of orders of the Federal Radio Commission) is now expressly limited to "questions of law", and it is provided "that findings of fact by the Commission, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Commission are arbitrary or capricious."

That is at page 275. Then the Court goes on:

The limitation manifestly demands judicial, as distinguished from administrative, review. Questions of law form the appropriate subject of judicial determinations. Dealing with activities admittedly within its regulatory power, the Congress established the Commission as its instrumentality to provide continuous and expert supervision and to exercise the administrative judgment essential in applying legislative standards to a host of instances. These standards the Congress prescribed. The powers of the Commission were defined, and definition is limitation. Whether the Commission applies the legislative standards validly set up, or whether it acts within the authority conferred or goes beyond it, whether its proceedings satisfy the pertinent demands of due process, whether, in short, there is compliance with the legal re-

quirements which fix the province of the Commission and govern its actions, are appropriate questions for judicial decision. These are questions of law upon which the Court is to pass. The provision that the Commission's findings of fact, if supported by substantial evidence, shall be conclusive unless it clearly appears that the findings are arbitrary or capricious, cannot be regarded as an attempt to vest in the Court an authority to revise the action of the Commission from an administrative standpoint and to make an administrative judgment. A finding without substantial evidence to support it—an arbitrary or capricious finding—does violence to the law. It is without the sanction of the authority conferred. And an inquiry into the facts before the Commission, in order to ascertain whether its findings are thus vitiated, belongs to the judicial province and does not trench upon, or involve the exercise of, administrative authority. Such an examination is not concerned with the weight of evidence or with the wisdom or expediency of the administrative action.

And then the Court proceeds to cite quite a number of cases. Then the Court says:

If the questions of law thus presented were brought before the court by suit to restrain the enforcement of an invalid administrative order, there could be no question as to the judicial character of the proceedings. But that character is not altered by the mere fact that remedy is afforded by appeal. The controlling question is whether the function to be exercised by the court is a judicial function, and, if so, it may be exercised on an authorized appeal from the decision of an administrative body (276, 277).

We are of the opinion that the Commission's findings of fact, which we summarized at the outset, support its decision, and an examination of the record leaves no room for doubt that these findings rest upon substantial evidence.

I call the gentleman's attention also to the Los Angeles case:

No basis is laid for relief under the general equity powers. The investigation was undertaken in aid of the legislative purpose of regulation. In conducting the investigations, and in making the report, the Commission performed a service specifically delegated and prescribed by Congress. Its conclusions, if erroneous in law, may be disregarded. But neither its utterances, nor its processes of reasoning, as distinguished from its acts, are a subject for injunction (314, 315, *United States v. Los Angeles R. R.*, 273 U. S. 299).

The purposes of the proposed bill are twofold—first, to strengthen the arm of the Public Utilities Commission in dealing with public-utility matters, and second, to eliminate the excessive delay caused by the present system of retrying in the courts every appeal case. Under the provisions of the present law, when the Commission acts and there is an appeal, the review is a legislative or administrative review and as such the court sits in such cases in its legislative capacity rather than as a constitutional court. As such, new evidence can be introduced, new findings of fact and conclusions arrived at by the court, the same as can be made by the Commission in the first instance. This causes delay, extra expense, and confusion. In addition the Utilities can independently commence an injunction action. The bill proposed here provides for one review, a judicial review by the courts. All evidence must be introduced before the Commission and its findings of fact are conclusive if supported by substantial evidence, unless it shall appear that such findings of the Commission are arbitrary or capricious. It would be, I believe, proper and helpful to here refer to the report of the committee as to the purpose and content of the bill.

PURPOSE OF THE BILL

H. R. 3462 was transmitted to the committee with the endorsement of the Commissioners of the District of Columbia as one of the principal matters of legislation which the officials of the District of Columbia deemed necessary of passage in the present session of Congress. Its principal purpose is to simplify the court review of actions of the Public Utilities Commission and to reduce the duration of litigation arising from such proceedings. The bill was referred to the Subcommittee on Public Utilities and adequate hearings were held thereon. At these hearings there was full participation by the general counsel of the Public Utilities Commission, numerous attorneys for the public utilities which would be affected, civic organizations, and bar associations. The bill was originally drafted, and its passage is strongly urged by the people's counsel of the District of Columbia. The corporation counsel, as general counsel of the Public Utilities Commission, presented the urgent request of that body for the improvement in the appeals law. Unqualified endorsements were presented on behalf of the Federation of Citizens' Associations and the District of Columbia Bar Association, as to both the practicability and constitutionality of the proposed measure.

Testimony and argument were presented and a number of briefs were filed by counsel for the various public utilities in opposition

to the change in the method of appeal and to particular language in the bill. Although this bill had been under study for a number of years, certain minor technical defects were revealed by the hearings and amendments proposed by the general counsel and the people's counsel in correction thereof. These amendments have been approved by the committee, together with other minor amendments tending to clarify the statute. Throughout the hearings, the proposed legislation was subjected to word-by-word scrutiny, and extensive briefs thoroughly covered the field of legislative precedent and judicial decision as to the validity of the method of appeal proposed and the constitutionality of the language. The hearings on H. R. 3462 were printed as a House document.

CONTENTS OF THE BILL

Section 1 strikes out certain paragraphs of the act of March 4, 1913 (37 U. S. Stats. 974), relating to the form of appeal now in effect from orders of the Public Utilities Commission to the courts and substitutes a new section. It preserves a right of appeal to the courts from any final order or decision of the Commission and fixes the time limitations and the conditions upon which such appeal may be had. It provides for a petition for reconsideration so as to afford the Commission an opportunity to modify its order and advise it of the grounds of intended appeal. With the amendments proposed it will afford a certain and prompt recourse to the courts.

Section 2 strikes out paragraph 65 to paragraph 69, inclusive, of the present Public Utilities Act and provides definite time limitations and methods covering the form of application to the courts and provides for the transfer to the court of the complete record before the Public Utilities Commission. It grants precedence to such proceedings over other civil causes and assures prompt hearing. An essential feature is the elimination of the presentation of new evidence before the court. However, the court may direct the Commission to receive additional evidence in the event that pertinent matter was improperly excluded by the Commission or in the absence of substantial evidence upon any relevant point. Full jurisdiction is preserved in the court to either affirm or vacate the Commission's order, and the court is required by this section, as amended, to set forth in full its reasons for its action so that the litigants may adopt remedial measures. This section also provides for appeal to the Court of Appeals of the District of Columbia and for review in its discretion by the Supreme Court of the United States upon petition for certiorari. Additional language is carried, in the customary form, relieving the Commission and its staff of personal liability for costs and damages in such actions.

Section 2 of the bill provides a new paragraph 66 which gives the court the power to review the orders or decisions of the Commission on all matters of law, specifically on all constitutional questions. It provides that if the court, on examination of the testimony and full record taken before the Commission, finds that the specific findings of fact by the Commission are supported by substantial evidence the court shall deem such findings conclusively correct unless it shall determine that they are arbitrary or capricious. It was as to this language that the principal opposition of the utility companies arose. The testimony of all witnesses showed that under the present law without regard to the duration of the hearings before the Public Utilities Commission, the Supreme Court of the District of Columbia had jurisdiction to hear unlimited new evidence. Furthermore, the court, at present, is a legislative court in which the judge may reach a separate and distinct decision as a substitute for the order of the Commission and is not limited to the determination of the validity or constitutionality of the Commission's order. Proponents of the measure contended vigorously that it was fully supported by decisions of the Supreme Court of the United States and that it is identical to language in the Federal Communications Act which has been sustained by the Supreme Court. They deny any intention of impairing the constitutional rights of the utilities and insist that the proposed paragraph 66, as included in section 2 of H. R. 3462, in terms preserves the full judicial authority of the courts. Utilities contend that since paragraph 69a of the section 2 of the bill makes the review proposed therein exclusive, it deprives them of the right of a new trial in the general equity jurisdiction of the courts at which all facts and evidence could be considered de novo by the court. This, the public representatives contend, is not a constitutional right and would unwarrantedly extend the time of trial. The committee finds that the present procedure has, in the past, resulted in trials extending over a period of several years, and that the judicial review proposed in the bill is constitutionally adequate.

The remaining provisions of section 2 elaborate the method of review in the Supreme Court of the District of Columbia and provide for expedition of appeals to the United States Court of Appeals of the District of Columbia by the certification of definite questions propounded by the supreme court. They preserve also the right of the Commission to rescind or modify its order at any time and to permit the improved order to take the place of that changed so as to expedite review.

Section 3 of the bill is a restatement of existing law which has been sustained by the courts imposing expenses of investigations and other proceedings of the Public Utilities Commission and legislation arising therefrom upon the utilities.

Sections 4 and 5 are the customary provisions preserving the integrity of the act and denying its application to present pending litigation of a judicial nature.

The committee in reporting the bill is aware of the importance of the constitutional questions involved therein and has given serious and profound consideration to the arguments in opposition

to its passage. It is, nevertheless, of the opinion that the bill, with the suggested amendments, should pass as the method of review proposed is unquestionably in the public interest, and while preserving adequate review of actions affecting the rights of utilities will tend toward their more efficient regulation.

[Here the gavel fell.]

Mr. SMITH of Virginia. Mr. Speaker, I withdraw my pro forma amendment.

The Clerk read as follows:

Sec. 3. That the said section 8 is hereby further amended by striking all of paragraphs 42 and 42a thereof and inserting in lieu thereof the following:

"PAR. 42. That the expenses of any investigation, valuation, revaluation, or proceeding of any nature by the Public Utilities Commission of or concerning any public utility operating in the District of Columbia, and all expenses of any litigation, including appeals, arising from any such investigation, valuation, revaluation, or proceeding, or from any order or action of the said Commission, shall be borne by the public utility investigated, valued, revalued, or otherwise affected as a special franchise tax in addition to all other taxes imposed by law, and such expenses with interest at 6 percent per annum may be charged to operating expenses and amortized over such period as the Public Utilities Commission shall deem proper and be allowed for in the rates to be charged by such utility. When any such investigation, valuation, revaluation, or other proceeding is begun the said Public Utilities Commission may call upon the utility in question for the deposit of such reasonable sum or sums as in the opinion of said Commission, it may deem necessary from time to time until the said proceeding is completed, the money so paid to be deposited in the Treasury of the United States to the credit of the appropriation account known as 'Miscellaneous trust fund deposit, District of Columbia' and to be disbursed in the manner provided for by law for other expenditures of the government of the District of Columbia, for such purposes as may be approved by the Public Utilities Commission. Any unexpended balance of such sum or sums so deposited shall be returned to the utility depositing the same: *Provided*, That the amount expended by the Commission in any valuation or rate case shall not exceed one-half of 1 percent of the existing valuation of the company investigated, and that the amount expended in all other investigations shall not exceed one-tenth of 1 percent of the existing valuation for any one company for any one year."

With the following committee amendments:

Page 8, line 23, after the figure "69", insert "That the Commission may at any time rescind, alter, modify, or amend its order."

Page 9, line 7, before the word "is", insert "or the litigation arising therefrom."

The committee amendments were agreed to.

The Clerk read as follows:

Sec. 4. If any provision of this act or the application to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

Sec. 5. No proceeding or litigation, except a proceeding involving solely the valuation of the property of any public utility, pending in any court in the District of Columbia on the date of the approval of this act, shall be affected by any of the provisions hereof.

Mrs. NORTON. Mr. Speaker, I move the previous question on the passage of the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SMOOT SAND & GRAVEL CORPORATION

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 2197) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the Commissioners of the District of Columbia are hereby authorized and empowered to grant permission to the Smoot Sand & Gravel Corporation, a corporation organized and existing under the laws of the State of Delaware, the owner of squares 705, 707, and east of 708, and part of square 708, in the District of Columbia, its successors and assigns, to lay down, construct, maintain, and use pipe lines for the carriage of petroleum and petroleum products from any point or points within any such square or such part of square or such part of square, or to the pierhead line of the Q Street, R Street, Potomac Avenue, reservation 246 and reservation 247, to any point or points within any such

square or such part of square, or to the pierhead line of the Anacostia River.

Sec. 2. All the construction and use provided for herein shall be under such regulations and rentals as the Commissioners of the District of Columbia may make and establish in connection therewith, and all plans and specifications for such construction shall be subject to their approval. The Commissioners of the District of Columbia shall have full authority to designate the location and to cause such repairs or relocation of said pipe lines as the public necessity may require, any such repairs or relocation to be at the expense of the Smoot Sand & Gravel Corporation, its successors, or assigns.

Sec. 3. No permission granted or enjoyed hereunder shall vest any right, title, or interest in or to the land within the streets or reservations referred to in section 1.

Sec. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mrs. NORTON. Mr. Speaker, as there seems to be no objection to this bill, I move the previous question on the passage of the bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. F. DROOP & SONS CO.

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 4708) for the relief of E. F. Droop & Sons Co., and ask that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

A bill for the relief of E. F. Droop & Sons Co.

Be it enacted, etc., That the E. F. Droop & Sons Co., a corporation incorporated under the general laws of the District of Columbia April 27, 1904, shall continue as an existing corporation, and that the term of existence of said corporation shall be made perpetual upon complying with the requirements of section 2 of this act.

Sec. 2. That the said E. F. Droop & Sons Co. shall file with the recorder of deeds of the District of Columbia a certificate similar to that required by subchapter 4 of chapter XVIII of the Code of the District of Columbia approved March 3, 1901, as amended, in respect to increase or diminution of capital stock, and pay to the recorder of deeds of the District of Columbia the fee to which he would be entitled if such corporation were newly organized.

Mrs. NORTON. Mr. Speaker, as there has been no objection expressed to this bill, I move the previous question on the passage of the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA AUTOMOBILE TAGS

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 6192) to authorize the issue of certain automobile tags to certain employees of the House of Representatives, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the proviso in section 6 (c) of the District of Columbia Traffic Act is amended by inserting after the comma following the phrase "Parliamentarian of the House of Representatives" the following: "the Assistant Parliamentarian of the House of Representatives, the tally clerk of the House of Representatives, the Journal clerk of the House of Representatives."

Mrs. NORTON. Mr. Speaker, this is merely a courtesy that is extended for the purpose of helping the Parliamentarian and his assistants in getting work accomplished through the city. As there seems to be no objection to it, I move the previous question on the passage of the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mrs. NORTON. Mr. Speaker, this concludes the business of the District of Columbia Committee for today.

FREDERICK N. ZIHLMAN

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. McLEOD. Mr. Speaker, I was shocked this morning to read of the death yesterday of former Congressman Frederick N. Zihlman, at Cumberland, Md., as were the other Members of this body who knew him. During the many years I have served in this House I have never met a more lovable character than Fred Zihlman. His outstanding thoughtfulness of others, his desire at all times to help the needy, and especially motherless and fatherless children, cannot more clearly be exemplified than to cite the fact that our former colleague was one of the small committee responsible for the creation of "Mooseheart"—a great home for the aged and orphaned children.

I was privileged to serve for several years as ranking member to Chairman Zihlman on the District of Columbia Committee, which close association brought about a warm and lasting friendship between us.

His work as Chairman of the District Committee was work of the first magnitude in behalf of the people of the Nation's Capital, and the beneficial results brought about by his untiring energy will long be remembered by them.

Fred Zihlman was an outstanding example of a self-made man and was a born leader. At the age of 11 he started out as an apprentice glass blower and at the age of 25 was elected president of the glass workers' union. His entry into politics came in 1909, when he was elected to the Maryland State Senate, and was elected Republican floor leader in that body in 1914. In 1916 he was elected to this body and served here until 1930, during which time he brought credit to himself and the Congress of the United States.

But though he be dead, the sunny influence which his presence lent will always be with those of us who knew him best, while the kindness of his generous heart and gallant nature can never be forgotten. Hundreds of loving friends who in the sunlight of his genial presence had learned to admire and love him, to love him for his manly characteristics, his nobleness of nature, his purity of heart, his deep affection, are overcome with that grief which silence, not language, can alone express.

Mrs. NORTON. Mr. Speaker, as Chairman of the District of Columbia Committee, having served with the late Mr. Zihlman for a number of years, and recognizing all of the qualities so ably expressed by the gentleman who preceded me, may I add my tribute to the splendid work performed by Mr. Zihlman during all the time I was associated with him on the District Committee. Mr. Zihlman served faithfully on the District of Columbia Committee during 14 years, 6 of which he served as chairman. His service at all times was in the interest of labor. Through his untiring efforts, a teachers' retirement bill was successfully enacted, as well as a mothers' pension bill and many others too numerous to mention. Mr. Zihlman was among the kindest men I have ever known; thoughtful and considerate of others always. Particularly was this true with regard to children, as was evidenced when he adopted a little child some years ago. May I not offer my sympathy—and it is a heartfelt sympathy—to his family in this great sorrow that is theirs.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I just want to add to what the gentlewoman from New Jersey and the gentleman from Michigan said my appreciation throughout my years of friendship for Fred Zihlman. His congressional district adjoins the congressional district I represent. I knew him personally, and I know the high esteem in which he was held by the people of that section of the country.

AUTHORIZING OFFICERS OF THE NAVY AND MARINE CORPS TO ADMINISTER OATHS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 93) to authorize certain officers of the Navy and Marine Corps to administer oaths.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in places beyond the continental limits of the United States where the Navy or Marine Corps is serving, such officers of the Navy or Marine Corps as are authorized to administer oaths for the purposes of the administration of naval justice and for other purposes of naval administration shall have the general powers of a notary public or of a consul of the United States in the administration of oaths, the execution and acknowledgment of legal instruments, the attestation of documents, and the performance of all other notarial acts.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMEMORATIVE OR SPECIAL MEDALS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1208) authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That authority is hereby granted to personnel of the Navy and Marine Corps to wear in lieu of commemorative or special medals awarded to them a miniature facsimile of such medal and a ribbon symbolic of the award thereof under such regulations as the Secretary of the Navy may prescribe.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING CERTAIN OFFICIALS OF NAVAL ESTABLISHMENTS TO ADMINISTER OATHS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1210) authorizing certain officials under the Naval Establishment to administer oaths.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That chief clerks and inspectors attached to the office of inspectors of naval material, chief clerks attached to field services under the Naval Establishment and to navy yards, naval stations, and Marine Corps posts and stations, and such other clerks and employees attached to offices of inspectors of naval material, field services, naval stations, navy yards, and Marine Corps posts and stations, as may be designated by the Secretary of the Navy, are authorized to administer any oath required or authorized by any law of the United States, or regulation promulgated thereunder, relating to any claim against or application to the United States of officers and employees under the Naval Establishment; said persons so authorized to administer the aforesaid oaths are also authorized to administer oaths of office to officers and employees under the Naval Establishment, but no compensation or fee shall be demanded or accepted for administering any such oath or oaths.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CONSTRUCTION OF BRIDGE ACROSS ARCHERS CREEK IN SOUTH CAROLINA

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 4759) to amend section 1 of the act of February 14, 1927, entitled "An act authorizing the Secretary of the Navy to accept, on behalf of the United States, title in fee simple to a certain strip of land and the construction of a bridge across Archers Creek in South Carolina."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. SNELL. Mr. Speaker, reserving the right to object, and I do not suppose I have any objection to this bill. I do not know whether it is quite the right thing to take this bill

up at this time. There are no minority members of the committee here and I do not know anything about these bills.

Mr. VINSON of Georgia. I may say to the gentleman from New York that I have spoken to the gentleman from Pennsylvania [Mr. DARROW], a minority member. All of these bills have been unanimously reported by the Naval Affairs Committee. If the gentleman does not care to have these uncontested bills considered at this time I will withdraw my request.

Mr. SNELL. I do not like the idea of putting them through when there is not a single minority member of the committee here and we did not have notice before.

Mr. VINSON of Georgia. Mr. Speaker, I withdraw my request.

Mr. SNELL. I think that would be better.

Mr. VINSON of Georgia. Mr. Speaker, may I call the attention of the gentleman from New York [Mr. SNELL] to the fact there is a Senate bill of identical character to the House bill here, and I trust the gentleman will permit the consideration of that Senate bill. These bills have been considered by the Naval Affairs Committee, and there is no objection by any member of that committee.

Mr. SNELL. I honestly think that is not quite the fair thing to do without any of the minority members of the committee being present. I think the gentleman should have notified us in advance, and then we would have had someone here during the consideration of the bill. It is taking a little advantage of us to call them up in this way.

Mr. VINSON of Georgia. I do not want to be put in the position of taking advantage of anyone, and I do not think the gentleman's statement is exactly correct, because I spoke to the gentleman about calling up these bills.

Mr. SNELL. The gentleman told me he expected to call up some Senate bills. These are some bills that the gentleman did not say anything about.

Mr. VINSON of Georgia. Then, Mr. Speaker, I withdraw my request for the present consideration of House bills.

FANTASTIC NEW DEAL BORROWING AND EXPERIMENTS

Mrs. KAHN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting therein a speech to be delivered tonight by my colleague the gentleman from New York [Mr. FISH].

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mrs. KAHN. Mr. Speaker, under leave to extend my remarks in the Record, I insert the following address of Hon. HAMILTON FISH, Jr., of New York, over the National Broadcasting Co. network, Monday evening, April 22, 1935:

The "new dealers", confused and confounded and drifting into state socialism and as far away from the principles of Thomas Jefferson as it is possible to get, are flying distress signals on the Ship of State and sending out SOS messages and pleas to cease opposition and uphold the new-deal measures.

My answer to that kind of unadulterated and brazen propaganda and effrontery to free Americans is that it is the duty of all those who are opposed to the unsound, unworkable, and socialistic new-deal measures to speak out in no uncertain terms before our American system is undermined by the termites of the new deal and brought crashing into ruins on our heads. As for me, I propose to use every opportunity to expose and ridicule the fantastic new-deal experiments and raise my voice against the continuous and destructive efforts of the "new dealers" to destroy our representative and constitutional Government and impose on the American people an autocratic, bureaucratic, socialistic, dictatorial form of government without their approval or consent.

The new-deal administration, pledged to reduce the running expenditures of the Government by 25 percent and to balance the Budget, has deliberately repudiated these promises, and has substituted in their place no economic or financial policy except to pile debt upon debt and borrow billions, more billions, and still more billions, without a thought of extinguishing the debt or of the inevitable day of reckoning.

The result has been to destroy business confidence, increase unemployment, impoverish the people, and retard or destroy recovery. The attitude of the "new dealers" is similar to the old French King who said, "I am the state; after me the deluge."

The fantastic increase in the national debt from twenty billions in 1933 to over thirty-five billions, and by the end of June this year to probably over forty billions, is worthy of the vivid imagination of Alice in Wonderland. In fact, it is beginning to

become more and more apparent that the American public have been elected to the role of Alice in Wonderland, or, more properly speaking, Blunderland. The new-deal administration, in the guise of the Mad Hatter, invites everyone to help spend billions of the taxpayers' money as if money grew on magical trees or was as numerous as the sands of the sea.

A puzzled, somewhat skeptical, Alice asked the new-deal leadership some simple questions: "Where are all the new billions coming from and how are they to be paid back?" To which the startled Jabberwock replied: "That is not a fair question, but I'll tell you anyhow. The more billions we spend, the easier it is to balance the Budget." "I see", said Alice, "first, the 'new dealers' balance the Budget in their platform and campaign promises; next, by special message to Congress a year ago and now by the definite assurance of the President that the \$4,880,000,000 work-relief bill will balance the Budget." "Yes", said the White Knight of Democracy and of Blunderland, James Aloysius Farley, above fear and above reproach, "I have been thinking of a plan to dye one's whiskers green and then to hide behind a fan so that they cannot be seen." "Oh", said the Cheshire Cat, "your plan to balance the Budget must be like me, a vanishing type. Sometimes you see the head, sometimes the tail, but never the whole body." "But", said the bewildered Alice, "I don't even see any head or tail to the financing of the 'new deal' measures and balancing the Budget. Is nothing based upon common sense, experience, sanctity of contract or pledges, and everything on expedients, experiments, and broken promises?" "Don't worry", said a cynical Father William, "the 'new dealers' have a magic formula to balance the Budget—inflation, chaos, bankruptcy, and repudiation."

The limited time does not permit me to further discuss financing the new-deal measures and balancing the Budget. Now, let us turn to some of the other experiments.

President Roosevelt, in his book, entitled "Government, Not Politics", published July 25, 1932, said: "The Chinaman would rather lose life than lose face." Dominated by the same spirit, the "new dealers" vainly endeavor to make unsound and unworkable plans work, merely to salvage their pride. It is more important to save the country than to save the face of the "new dealers."

The American people are sick of the depression, but whichever way they turn they find a lot of inefficient visionary and jabbering bureaucrats not only blocking the way to recovery, but threatening to take what little they have left. The American people are bewildered and mystified by the honeyed words and the sugar-coated fireside chats of the President about a more abundant life in the future under a policy of destruction of crops, birth control of pigs, and a rapidly growing mountain of debt. All that the American wage earner is asking for is the right to earn an honest living at the present time, and educate and support his family properly in accordance with American standards of living.

The very word "recovery" means trying to get back something that was lost. What has been lost under the guidance of the "brain trusters", most of whom are Socialists and never identified with the Democratic Party, but sound American principles of government based upon the wisdom and experience of the past? The truth is that the American system is being hitched up with an un-American system. President Roosevelt is trying to ride two horses going in opposite directions, and that is why we are not getting anywhere. Our economic, industrial, and political problems can only be solved upon sound American principles of government for the best interest of all our people, as they have in the past without recourse to socialism and communism of the left or fascism or Hitlerism of the right.

The Republican Party must stand squarely without fear or favor for the American system and appeal to the people regardless of former party affiliations to come over and help. This is the real issue. It is the greatest in our country's history, and cuts across party lines the way slavery did. The new-deal administration has not only repudiated every principle of Jeffersonian democracy, but of our American system and is rapidly drifting, or perhaps it is truer to say, rushing headlong, into state socialism which is a kind of American fascism.

Our American system, based upon private initiative and reasonable profit, spurred by competition, has given a far more abundant life than any other economic system in the world. Today we find the "new dealers" following after the false economic gods of socialism and those theories of government ownership and operation pursued in Soviet Russia with disastrous results to the people who are undernourished and starving. A very large part of the Democratic Party is not in favor of such radical experiments and is becoming more and more bewildered, disappointed, disgusted, and deceived.

I was a former follower of Theodore Roosevelt and stood with him in 1912 on a platform of social and industrial justice, and believe in those principles more today than ever before, but believe in putting them into effect under the Constitution of the United States, and not outside of, or around, or beyond the Constitution and our American system.

President Roosevelt and his administration was elected on a sound platform, promising a reduction of 25 percent of the running expenditures of the Government, sound money to be preserved at all hazards, a reduction in the number of commissions, to stop borrowing and deficits, and a balanced Budget. During the first 6 months the President gave an admirable administration and tried to live up to his promises and pledges. Confidence was restored and there was a partial recovery and several million American wage earners were put back to work.

Then something happened, revolutionary in nature; the President called in a lot of radical and Socialist professors and vision-

aries to experiment upon our people and our institutions, and, if permitted to continue, will bring down our American system in ruins upon the heads of all our people. These radicals, Socialists, and near Communists were not elected by the people to office to tear down our American institutions. The Socialists and Communists received only a million votes. If, however, our American system is not to be scrapped without ever being submitted to the Nation for a vote, it is clearly the duty of the Republican Party, as the party of opposition, to force the issue before the great power of the administration and its enormous and relentless publicity stifles and smothers the issue.

The question is not that of conservatism or liberalism, although I am a political liberal who believes in the rights and capacity of the people to rule themselves and with Lincoln that human rights are superior to property rights and that labor is prior to capital. The Republican Party must have definite, clear-cut policies and become a fighting, militant organization and purge itself of all who do not believe in our American system. There can be no compromise between the American system and the alien and socialistic policies of the "new dealers", who are changing our form of government without the consent of the people, and setting up a bureaucratic and autocratic form of government, foreign to all American principles and ideals and similar in nature to fascism, Hitlerism, or communism, and everything except Americanism.

The Republican Party must purge itself on one side of all who do not believe in our American system and, on the other, of special privilege and selfish interests, who seek to exploit it. We must get back to the early principles of our party. The sooner we get back to the principles advocated by Abraham Lincoln, of faith in the people, free institutions, and popular government, the sooner will the confidence of the people be restored in the Republican Party.

It is becoming more and more apparent that the Nation cannot long endure half for the American system and half for some imported foreign form of socialism, or "third economy", as described by Prof. Rexford Guy Tugwell, a former member of the League for Industrial Democracy and the People's Lobby, both of which are against the profit system and in favor of Government ownership.

Newspaper reports state that Professor Tugwell will be in charge of the disbursement of \$900,000,000 of the funds carried in the work-relief bill, and may become the most important administrative officer in the relief program, with full control of rural rehabilitation, soil erosion, submarginal land activities, and perhaps the Mississippi Valley development. Such an appointment is a typical example and an unanswerable reason for the loss of confidence by American business men, small and large, in the new-deal policies. How can business men, investors, and employers of labor place any confidence in the "new dealers", who have opposed in the past and are still opposed in their hearts to our entire industrial system based on private initiative and profit?

Let the Republican Party face the issue squarely and uphold our American system and fearlessly announce that it can only be improved by sound American principles of government. If it has failed, then it should be scrapped for collectivism, regimentation, a crushing bureaucracy, Government ownership, and state socialism. The battle should be joined by the upholders of our American system and those opposed, whether for state socialism, communism, or fascism. The American system is based on three separate and independent branches of government under the Constitution, acting as checks and balances on each other in order to preserve the rights and liberties of the American people. Until the advent of the new-deal administration no American questioned our representative form of government and the capacity and intelligence of the people to govern themselves within the confines of the Constitution.

Two years of new-deal rule has seen a cowardly, supine, and partisan Congress surrender its legislative powers month by month, upon the arrogant demands of the Chief Executive, and set up an autocrat in the White House. At first these powers were delegated on a supposedly temporary basis in an economic emergency, but that is no longer the case. President Roosevelt apparently is obsessed with the idea that he is divinely sent to rule and insists on permanent autocratic powers, in defiance of our representative form of government and the Constitution. Not satisfied with driving a subservient Congress to turn over the power to determine the value of money and the making of tariff schedules, he has taken away from Congress the control of the purse strings, the main reason for its existence. The new work-relief bill, totaling almost \$5,000,000,000, has left Congress with scarcely any more legislative powers than Ghandi has clothing. The President is now demanding control over both credit and currency through the new banking bill establishing virtually a central bank under the political control of the President through the Federal Reserve Board. By the end of the present session, Congress will be nothing more than a debating society like the Parliaments of Italy and Germany—nothing but a rubber stamp to affirm the edict of the President.

The rape of the legislative powers of Congress and the betrayal of representative and constitutional government is an issue that the Republican Party must meet without compromise. If we remain silent on this issue and drift into an autocratic socialistic dictatorship, then we cannot avoid a share of the blame for not taking up the challenge. If the American people want to change their form of government they have a right to do so, but a parti-

san, patronage-driven Congress has no right to change our form of government without the approval and consent of the people.

Up to the time of the new deal and its foreign imported ideals, the Government was, except in time of war, conceived to be the servant and not the master of the people. The American system has demonstrated throughout the years that it stood for the greatest good of the greatest number and for equal opportunities for all. Under it American labor has been the best paid, the best housed, the best fed, the best clothed, the most contented and the freest in the world. It has been upheld by every prominent Democrat, including Grover Cleveland, Woodrow Wilson, William Jennings Bryan, Alfred E. Smith, John W. Davis, Albert C. Ritchie, and Newton Baker. All of a sudden the "new dealers" tell us because we are in a depression that everything is wrong, rotten, and corrupt in our economic and political system, and all must be scrapped for a new form of government with a beneficent dictator in the White House.

Without attempting or desiring to formulate a Republican platform, I submit that any Republican program must not pussyfoot or compromise on the following fundamental issues:

First. Restoration of representative and constitutional government by restoring to Congress the powers surrendered to the executive branch of government and the reestablishment of a government of law.

Second. Restore business confidence and put American wage earners to work by withdrawing the Government as quickly as possible from control of business and from competition with industry, and from direct interference with business by Executive orders, and drastically modifying the N. R. A. A few fundamental codes are all that is necessary—one for natural resources, oil, coal, etc., one for fair competition strong enough to protect the small man in paying his employees according to American standards, one to do away with child labor, and another for a minimum wage scale and maximum hours of labor.

Third. Establish and maintain a stabilized currency on a sound basis.

Fourth. Repeal the A. A. A. and give the Secretary of Agriculture emergency power to fix national minimum prices for domestic consumption, which is the only way to regain the wheat and cotton markets of the world. Advocate an economy of abundance, not scarcity, and creation of true wealth, not its destruction. Protect all farm products from foreign competition by adequate duties or an embargo, if necessary. Establish an equilibrium between the products of the farms, mines, and factories. Assure the farmer the cost of production plus a reasonable profit. Establish a reserve supply of meat, grain, and other foodstuffs whenever surpluses arise, to provide 1 year's supply for the American people against drought, climate conditions, undernourishment, or famine, but not to be used except in war or other emergency.

Fifth. Abolish all processing taxes and taxes on production. Do away with tax-exempt securities. Put taxes where they can be seen and felt on income, inheritance, and sales. Practice national economy, balance the Budget, and fund the national debt for 50 years.

Sixth. Preserve the home market for American goods and retain the American wage scale and standards of living. Protect the American wage earner against competition from the cheap products of the low-paid labor in Japan and Europe.

Seventh. Abolish all Government publicity bureaus. They are nothing more than political propaganda machines, deceiving the people back home, creating a censorship of news, endangering free institutions, and have no place in our American system.

Eighth. Social and economic justice: Provide a reasonable and adequate old-age pension or retirement plan, without political advantage to any group or party. Develop under normal times an unemployment-insurance fund under State control. Improve the means of distribution and reduce the high cost of living on foodstuffs for American wage earners and consumers and enable the housewives to balance their family budgets.

Ninth. Provide for national defense, but not for aggression. Take the profit out of war and prohibit the loaning of money to foreign nations. Stay out of all foreign entanglements, leagues of nations, world courts, sanctions, or war commitments. Keep out of all foreign boundary disputes, ancient blood feuds, and intrigues. Cease passing moral judgments on foreign nations. Stop trying to police the world or to pick the chestnuts out of the fire for other nations, and, above all, mind our own business, as we have plenty of problems to attend to in our own country at the present time.

Tenth. Provide for the fullest freedom of speech, of the press, and over the radio for American citizens, except to the extent of urging the overthrow of our republican form of government by force and violence, which is guaranteed to each State by the Federal Constitution. Enact deportation laws against all aliens who seek to spread class hatred, promote strikes, riots, and industrial unrest, and to undermine and tear down our free institutions, and give their jobs to industrious and loyal American citizens now walking the streets and who have faith in our American system.

Eleventh. Reaffirm our faith in the early principles of the Republican Party, enunciated by Abraham Lincoln who repeatedly stated that he had obtained all his political principles from Thomas Jefferson. Build a bridge on the firm foundation of the rights and liberties of the people under the Constitution, so that all disgusted and deceived Jeffersonian Democrats can cross over to help elect a Republican President in 1936 in order to oust the "new

dealers" who have all but destroyed Jeffersonian principles that have been the creed of the Democratic Party for over 135 years.

Twelfth. Set up a bookkeeping system in the Nation so that we shall always know the extent of our wealth and its distribution, and currently know our actual position in international finance and trade.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1611. An act to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va.; to the Committee on Naval Affairs.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., and of the three hundredth anniversary of the founding of the city of Providence, R. I., respectively.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 50 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 23, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Tuesday, Apr. 23, 10 a. m.)

Subcommittee will hold hearings on bill (H. R. 6656) authorizing Pennsylvania Railroad Co. to construct a bridge over New York Avenue NE., etc., and bill (H. R. 7447) amending act providing for a union railroad station in the District of Columbia, and for other purposes, room 345, old House Office Building.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Tuesday, Apr. 23, 10:30 a. m.)

Committee will hold hearings on bill (H. R. 7170) authorizing the naturalization of certain resident alien World War veterans, room 445, old House Office Building.

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Tuesday, Apr. 23, 10 a. m.)

Committee will hold hearings on bills (H. R. 3252) prohibiting the advertising of loans carrying excessive rates of interest; (H. R. 5728) prohibiting the use of the mails for the taking of straw votes; and (H. R. 6177) relating to threatening letters in the mails.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

306. A communication from the President of the United States, transmitting two supplemental estimates of appropriations for the Treasury Department of the fiscal year 1935 amounting to \$24,354,530.78, together with draft of a proposed provision pertaining to an existing appropriation (H. Doc. No. 161); to the Committee on Appropriations and ordered to be printed.

307. A communication from the President of the United States, transmitting deficiency and supplemental estimates of appropriations for the fiscal years 1928 and 1936 for certain independent establishments amounting to \$363,051.25, together with a draft of a proposed provision pertaining to an existing appropriation (H. Doc. No. 162); to the Committee on Appropriations and ordered to be printed.

308. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia for the fiscal year 1935, amounting to \$345,500 (H. Doc. No. 163); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. H. R. 7593. A bill to facilitate the extension of agricultural credit at lower interest rates by providing for the issue of certain bank notes, and for other purposes; without amendment (Rept. No. 743). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 6719. A bill to amend the Canal Zone Code; with amendment (Rept. No. 744). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DORSEY: Committee on Military Affairs. H. R. 417. A bill for the relief of William P. Brady; without amendment (Rept. No. 745). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KENNEY: A bill (H. R. 7650) to regulate fares and tolls on certain bridges in the case of pedestrians and motor-bus passengers; to the Committee on Interstate and Foreign Commerce.

By Mr. KIMBALL: A bill (H. R. 7651) to authorize the erection of an addition to the existing Veterans' Administration facility, Camp Custer, Mich.; to the Committee on World War Veterans' Legislation.

By Mr. LANHAM: A bill (H. R. 7652) to authorize the furnishing of steam from the central heating plant to the Federal Reserve Board, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. WELCH: A bill (H. R. 7653) to grant to the State of California a retrocession of jurisdiction over certain rights-of-way granted to the State of California over certain roads about to be constructed in the Presidio of San Francisco Military Reservation and Fort Baker Military Reservation; to the Committee on Military Affairs.

By Mr. LEMKE: A bill (H. R. 7654) authorizing the State highway departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N. Dak.; to the Committee on Interstate and Foreign Commerce.

By Mr. RAMSPECK: A bill (H. R. 7655) amending the act of August 23, 1912 (37 Stat. 413), relating to preference in reduction of force granted to persons entitled to military preference; to the Committee on the Civil Service.

By Mr. BROWN of Michigan: A bill (H. R. 7656) to amend subdivision (c) of section 36 of title 12, United States Code, supplement VII, Revised Statutes 5155, as amended; to the Committee on Banking and Currency.

By Mr. SAMUEL B. HILL: A bill (H. R. 7657) to authorize the adjustment of the boundaries of the Colville National Forest, in the State of Washington, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 7658) to amend the act entitled "An act to reclassify terminal railway post offices", approved June 14, 1934; to the Committee on the Post Office and Post Roads.

By Mr. SPENCE: A bill (H. R. 7659) to provide that tolls on certain bridges over navigable waters of the United States shall be just and reasonable, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KLEBERG: A bill (H. R. 7660) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife administered by the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. MURDOCK: Resolution (H. Res. 200) to appoint a special committee to conduct an investigation of unfair and illegal acts and practices by business competitors; to the Committee on Rules.

By Mr. DINGELL: Joint resolution (H. J. Res. 254) providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings; to the Committee on Public Buildings and Grounds.

By Mr. FISH: Joint resolution (H. J. Res. 255) to prohibit the extension of credits and the issuance of foreign loans; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to reduce the tax on beer and other liquor; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of New York regarding the importation of textile articles; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL: A bill (H. R. 7661) for the relief of John Smith; to the Committee on Military Affairs.

By Mr. FARLEY: A bill (H. R. 7662) granting an increase of pension to Nancy A. Bortner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7663) granting a pension to Eliza Jane Wilkinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7664) granting a pension to Mary E. Michaud; to the Committee on Invalid Pensions.

By Mr. FISH: A bill (H. R. 7665) granting an increase of pension to Mabel A. LaForge; to the Committee on Invalid Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 7666) for the relief of Sol J. Hyman; to the Committee on Claims.

By Mr. MITCHELL of Illinois: A bill (H. R. 7667) for the relief of Jane Gordon; to the Committee on War Claims.

By Mr. PARKS: A bill (H. R. 7668) for the relief of certain persons whose cotton was destroyed by fire in the Ouachita Warehouse, Camden, Ark.; to the Committee on Claims.

By Mr. PITTINGER: A bill (H. R. 7669) for the relief of Joe Rodmonovich; to the Committee on Military Affairs.

By Mr. ROMJUE: A bill (H. R. 7670) granting a pension to James Robinson; to the Committee on Invalid Pensions.

By Mr. STUBBS: A bill (H. R. 7671) to direct the Secretary of the Interior to convey title to certain lands in California to the heirs of George P. Eddy; to the Committee on the Public Lands.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7287. By Mr. BUCKLER of Minnesota: Petition of A. D. Johnson, county auditor of Beltrami County, Bemidji, Minn., praying for the passage of old-age-pension and social-insurance legislation; to the Committee on Ways and Means.

7288. Also, petition of H. A. Johnson, adjutant, Post No. 421 of the American Legion, of Erskine, Minn., in behalf of members of the post, praying for the passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

7289. By Mr. FISH: Petition of 30 citizens of the city of Poughkeepsie, N. Y., favoring the passage of House bill 2897, to make it a crime to advocate or promote the overthrow of the Government of the United States by force and violence; to the Committee on the Judiciary.

7290. Also, petition of 108 citizens of the State of New York, protesting against religious persecutions in Mexico and requesting the recall of the present Ambassador, Josephus Daniels; to the Committee on Foreign Affairs.

7291. By Mr. JOHNSON of Texas: Petition of the Fox Co., of San Antonio, Tex., and Black River Paper Co., of Watertown, N. Y., favoring House bill 2798, restoring 2-cent postage; to the Committee on the Post Office and Post Roads.

7292. Also, petition of Grace V. Strahm Letter Co., of Kansas City, Mo., favoring House bill 2798; to the Committee on Ways and Means.

7293. Also, petition of A. M. Smith, secretary-sales manager, Barron Brick Co., of Palmer, Tex., opposing House bill 3657; to the Committee on Labor.

7294. By Mr. KENNEY: Petition of the Workmen's Sick and Death Benefit Fund Society of Branch 235, in North Bergen, N. J., endorsing House Resolution No. 2827, known as the "Lundeen bill"; to the Committee on Labor.

7295. Also, petition of Ridgefield Park Council, No. 123, of Ridgefield Park, N. J., representing the Sons and Daughters of Liberty, urging upon Congress favorable consideration and immediate passage of House bill 5921, introduced by Hon. MARTIN DIES; to the Committee on Immigration and Naturalization.

7296. By Mr. KING: Concurrent resolution from the Legislature of the Territory of Hawaii, urging the Governor of the Farm Credit Administration to send qualified representatives to Hawaii; to the Committee on Agriculture.

7297. By Mr. LORD: Petition of Henry Toelke and others of Binghamton, N. Y., urging the passage of House Joint Resolution 167; to the Committee on the Judiciary.

7298. By Mr. McREYNOLDS: Petition signed by members of the Boot and Shoe Repair Local No. 620, Chattanooga, Tenn., urging early passage of the Wagner labor disputes bill; to the Committee on Labor.

7299. By Mr. McLAUGHLIN: Petition of the Congress of the United States to enact the legislation now pending providing for the issuance on July 9, 1935, of a special commemorative postage stamp in honor of the one hundred and fiftieth anniversary of the termination of Commodore John Barry's services with the American Revolutionary Forces and for the proclamation of Barry Memorial Day; to the Committee on the Judiciary.

7300. By Mr. MILLARD: Petition signed by residents of Lanao Province, Island of Mindanao, P. I., who are opposed to Philippine independence; to the Committee on Insular Affairs.

7301. Also, petition signed by members of the Larchmont (N. Y.) Post Road Businessman's Association, urging the purchase by the Government of the building belonging to a closed bank located at Larchmont Avenue and the Boston Post Road, Larchmont, N. Y.; to the Committee on Public Buildings and Grounds.

7302. By Mr. PFEIFER: Petition of the New York Women's Trade Union League, of New York, urging passage of the social-security bill; to the Committee on Ways and Means.

7303. Also, petition of National Seal Co., Inc., Brooklyn, N. Y., concerning the Wagner labor-disputes bill (S. 1958); to the Committee on Labor.

7304. Also, petition of the Standard Textile Products Co., of New York, concerning House bill 3657; to the Committee on Labor.

7305. Also, telegram from Irwin S. Chanin, president Northampton Brewery Corporation, of New York, concerning the McNary bill (S. 7626), hop processing tax; to the Committee on Agriculture.

7306. Also, telegram from R. B. Raymond, of Brooklyn, N. Y., urging retention of the present Ice Code; to the Committee on Appropriations.

7307. Also, telegrams from G. Bellisari, William Rubin, H. Kaminsky, E. Erick, S. Willner, Tony Licure, J. Moskowitz, M. Scharff, Max Williams, I. Safosky, and C. Sigmarrelli, urging continuation of the Ice Code in the National

Recovery Administration; to the Committee on Appropriations.

7308. Also, petition of Abraham & Strauss, Inc., Brooklyn, N. Y., concerning the Wagner labor-disputes bill; to the Committee on Labor.

7309. By Mr. RABAUT: Petition of the Old Hickory Club of Detroit, the largest, oldest, and most militant Democratic club in the State of Michigan, and signed by J. Henry Denning, George J. Martin, Grover Taylor, Ruben J. White, Dr. H. E. McCorkle, Samuel Bastien, Ivan Merritt, Albert Fruske, George B. White, and Senator James A. Murphy; to the Committee on Ways and Means.

7310. By Mr. RUDD: Petition of Orrin S. Good and 25 other citizens of Brooklyn and Queens, concerning the extension of the National Industrial Recovery Act and National Recovery Administration; to the Committee on Appropriations.

7311. Also, petition of the Legislature of the State of New York, concerning the Fulmer bill (H. R. 6914), for Federal acquisition of land for State forests; to the Committee on the Public Lands.

7312. Also, petition of William Gibson, M. Herman, G. Delmonico, W. Parsons, M. Sakofsky, E. Erick, P. Lafatro, J. Moskowitz, F. Goldman, and P. Sizirlnick, citizens of Brooklyn, N. Y., concerning the extension of the National Recovery Administration provisions in Ice Code; to the Committee on Appropriations.

7313. By Mr. SHANLEY: Petition of the General Assembly, State of Connecticut, regarding damage to oyster beds in New Haven Harbor; to the Committee on Merchant Marine and Fisheries.

7314. By Mr. TRUAX: Petition of the organized machinists of Lucas County, Toledo, Ohio, numbering approximately 1,500, by their secretary, Clarence E. Martin, urging support of the Wagner-Connelly bill, the Guffey bill on mining codes, the amended National Recovery Administration bill, and the Black-Connelly 30-hour bill; to the Committee on Labor.

7315. Also, petition of 125 active farmers of Elyria, Lorain County, Ohio, by their secretary, Attorney A. H. West, approving House bills 2066 and 4298, as these bills are beneficial to the interest of the farmers; to the Committee on Agriculture.

7316. Also, petition of Local Union No. 1431, United Mine Workers of America, Crooksville, Ohio, by their president, James A. White, requesting and urging support of Guffey coal-stabilization bill, Wagner labor-disputes bill, 30-hour week bill, and social-securities legislation; to the Committee on Labor.

7317. Also, petition of Local No. 170, N. F. P. O. C., Toledo, Ohio, by their secretary, Bernard W. Heintz, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

7318. Also, petition of the Toledo Mailers Union, No. 35, Toledo, Ohio, by their secretary, Oscar Saffron, urging support of the Wagner labor-disputes bill and the Connery 30-hour week bill; to the Committee on Labor.

7319. By the SPEAKER: Petition of the Civic Leaders' Club, Los Angeles, Calif.; to the Committee on Ways and Means.

SENATE

TUESDAY, APRIL 23, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, April 22, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House

had passed without amendment the following bills of the Senate:

S. 93. An act to authorize certain officers of the Navy and Marine Corps to administer oaths;

S. 1208. An act authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award;

S. 1210. An act authorizing certain officials under the Naval Establishment to administer oaths; and

S. 2197. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia.

The message also announced that the House had passed the bill (S. 2035) entitled "An act to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes", with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3462. An act to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes;

H. R. 4708. An act for the relief of E. F. Droop & Sons Co.; and

H. R. 6192. An act to authorize the issue of certain automobile tags to certain employees of the House of Representatives.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Reynolds
Ashurst	Coolidge	Keyes	Robinson
Austin	Copeland	King	Russell
Bachman	Costigan	La Follette	Schall
Bailey	Couzens	Logan	Schwellenbach
Bankhead	Cutting	Loneragan	Sheppard
Barbour	Dickinson	McGill	Shipstead
Bilbo	Dieterich	McKellar	Smith
Black	Donahay	McNary	Steiwer
Bone	Duffy	Metcalf	Thomas, Okla.
Borah	Fletcher	Minton	Townsend
Brown	Frazier	Moore	Trammell
Bulkley	Gerry	Murphy	Truman
Bulow	Gibson	Murray	Tydings
Burke	Glass	Neely	Vandenberg
Byrd	Gore	Norris	Van Nuys
Byrnes	Guffey	Nye	Wagner
Capper	Hale	Overton	Walsh
Caraway	Harrison	Pittman	Wheeler
Carey	Hatch	Pope	White
Clark	Hayden	Radcliffe	

Mr. AUSTIN. I announce that the Senator from Delaware [Mr. HASTINGS] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent from the Senate.

Mr. ROBINSON. I announce that the Senator from Connecticut [Mr. MALONEY] is absent because of illness, and that the Senator from Georgia [Mr. GEORGE], the Senator from California [Mr. McADOO], the Senator from Utah [Mr. THOMAS], the Senator from Kentucky [Mr. BARKLEY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Nevada [Mr. McCARRAN], the Senator from Illinois [Mr. LEWIS], and the Senator from Louisiana [Mr. LONG] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, reporting, pursuant to law, that